

103^D CONGRESS
2^D SESSION

H. R. 820

AMENDMENT

March 17 (legislative day, February 22), 1994

Ordered to be printed as passed

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In the Senate of the United States,

March 16 (legislative day, February 22), 1994.

Resolved, That the bill from the House of Representatives (H.R. 820) entitled “An Act to amend the Stevenson-Wydler Technology Innovation Act of 1980 to enhance manufacturing technology development and transfer, to authorize appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes”, do pass with the following

AMENDMENT:

Strike out all after the enacting clause and insert:

1 **TITLE I—GENERAL PROVISIONS**

2 **SEC. 101. SHORT TITLE AND TABLE OF CONTENTS.**

3 (a) *SHORT TITLE.*—This Act may be cited as the “Na-
4 tional Competitiveness Act of 1994”.

5 (b) *TABLE OF CONTENTS.*—

TITLE I—GENERAL PROVISIONS

Sec. 101. Short title and table of contents.
Sec. 102. Findings.
Sec. 103. Purposes.
Sec. 104. Definitions.
Sec. 105. Overall authorization limit.

TITLE II—MANUFACTURING

Sec. 201. Short title.

SUBTITLE A—MANUFACTURING TECHNOLOGY AND EXTENSION

*Sec. 211. Manufacturing amendments to the Stevenson-Wydler Technology Inno-
vation Act.*
*Sec. 212. Manufacturing amendments to the National Institute of Standards and
Technology Act.*
*Sec. 213. Additional amendments to the Stevenson-Wydler Technology Innovation
Act.*
Sec. 214. Manufacturing technology centers.
Sec. 215. State Technology Extension Program.
*Sec. 216. Report on options for accelerating the adoption of new manufacturing
equipment.*

SUBTITLE B—NATIONAL SCIENCE FOUNDATION MANUFACTURING PROGRAMS

Sec. 221. National Science Foundation manufacturing programs.

TITLE III—CRITICAL TECHNOLOGIES

Sec. 301. Development of plan for the Advanced Technology Program.
Sec. 302. Large-scale research and development consortia.
Sec. 303. Technical amendments.
Sec. 304. Technology monitoring and competitiveness assessment.
Sec. 305. Recoupment.
Sec. 306. Technology financing pilot program.
Sec. 307. Reports on foreign industrial espionage.

TITLE IV—ADDITIONAL COMMERCE DEPARTMENT PROVISIONS

Sec. 401. Department of Commerce Technology Advisory Board.
Sec. 402. International standardization.
Sec. 403. Malcolm Baldrige award amendments.
Sec. 404. Cooperative research and development agreements.
Sec. 405. Program evaluations.
Sec. 406. Study of semiconductor lithography technologies.

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- Sec. 407. Clearinghouse on State and Local Initiatives.*
- Sec. 408. Wind engineering research program.*
- Sec. 409. Environmentally sensitive construction technologies.*
- Sec. 410. American workforce quality.*
- Sec. 411. Severability.*
- Sec. 412. Use of domestic products.*
- Sec. 413. Personnel.*

TITLE V—AUTHORIZATIONS OF APPROPRIATIONS

- Sec. 501. Technology Administration.*
- Sec. 502. National Institute of Standards and Technology.*
- Sec. 503. Additional activities of the Technology Administration.*
- Sec. 504. National Science Foundation.*
- Sec. 505. Availability of appropriations.*

TITLE VI—INFORMATION TECHNOLOGY APPLICATIONS

- Sec. 601. Short title.*
- Sec. 602. Findings and purpose.*
- Sec. 603. Information technology applications.*
- Sec. 604. Applications for education and libraries.*
- Sec. 605. Applications for manufacturing and information.*
- Sec. 606. Applications in energy and other areas.*
- Sec. 607. Applications for health care; access to networks.*
- Sec. 608. High-Performance Computing and Applications Advisory Committee.*
- Sec. 609. National Research and Education Network Program.*
- Sec. 610. Support for computer education programs.*
- Sec. 611. Support for State-based digital libraries.*
- Sec. 612. Support for computing activities at tribal colleges.*
- Sec. 613. Department of Education support for computer education programs.*

TITLE VII—FASTENER QUALITY ACT AMENDMENTS

- Sec. 701. Fastener Quality Act amendments.*

TITLE VIII—PRIVATE CARRIAGE OF URGENT LETTERS

- Sec. 801. Private carriage of urgent letters.*

TITLE IX—REGULATORY FLEXIBILITY ANALYSIS

- Sec. 901. Definitions.*
- Sec. 902. Initial regulatory flexibility analysis.*
- Sec. 903. Final regulatory flexibility analysis.*
- Sec. 904. Judicial review.*

TITLE X—COUNTERINTELLIGENCE

- Sec. 1001. Short title.*
- Sec. 1002. Amendment to the National Security Act of 1947.*
- Sec. 1003. Protection of cryptographic information.*
- Sec. 1004. Amendment to Right to Financial Privacy Act.*
- Sec. 1005. New criminal offense for the possession of espionage devices.*
- Sec. 1006. New offense for sale or transfer to foreign governments documents and other materials designated as top secret.*
- Sec. 1007. Lesser criminal offense for the removal of top secret documents by government employees and contractors.*

- Sec. 1008. Jurisdiction of United States courts to try cases involving espionage outside the United States.*
- Sec. 1009. Expansion of existing statute regarding forfeiture of collateral profits of crime to additional espionage offenses.*
- Sec. 1010. Denial of annuities or retired pay to persons convicted of espionage in foreign courts involving United States information.*
- Sec. 1011. Authorizing the FBI to obtain consumer reports on persons believed to be agents of foreign powers.*
- Sec. 1012. To provide for rewards for information concerning espionage.*
- Sec. 1013. To provide a court order process for physical searches undertaken for foreign intelligence purposes.*

TITLE XI—LOCAL EMPOWERMENT AND FLEXIBILITY

- Sec. 1101. Short title.*
- Sec. 1102. Findings.*
- Sec. 1103. Purposes.*
- Sec. 1104. Definitions.*
- Sec. 1105. Demonstration program.*
- Sec. 1106. Provision of Federal assistance in accordance with approved local flexibility plan.*
- Sec. 1107. Application for approval of local flexibility plan.*
- Sec. 1108. Review and approval of local flexibility plans.*
- Sec. 1109. Implementation of approved local flexibility plans; waiver of requirements.*
- Sec. 1110. Community advisory committees.*
- Sec. 1111. Technical and other assistance.*
- Sec. 1112. Community enterprise board.*
- Sec. 1113. Termination and repeal; report.*

TITLE XII—HERO ACT

- Sec. 1201. Short title.*
- Sec. 1202. Findings.*
- Sec. 1203. Citations.*

TITLE XIII—MISCELLANEOUS PROVISIONS

- Sec. 1301. Economic and Employment Impact Act.*
- Sec. 1302. Urban university business initiative grants.*
- Sec. 1303. Prohibition on solicitation of campaign contributions by persons awarding contracts.*

1 *SEC. 102. FINDINGS.*

2 *Congress finds and declares the following:*

- 3 *(1) In an increasingly competitive world econ-*
- 4 *omy, the companies and nations which lead in the*
- 5 *rapid development, adoption, and application of new*
- 6 *technologies, and in the low-priced, high-quality man-*

1 *ufacture of products based on those technologies, will*
2 *lead in economic growth, employment, and high liv-*
3 *ing standards.*

4 *(2) While the United States remains the world*
5 *leader in science and invention, it has not done as*
6 *well as it should in manufacturing new products*
7 *based on these innovations. This lag and the unprece-*
8 *dented competitive challenge that the Nation has faced*
9 *from abroad have contributed to a drop in real wages,*
10 *living standards, and employment opportunities.*

11 *(3) There is general agreement on which fields of*
12 *technology are critical for economic competitiveness*
13 *through the first decade of the next century, but the*
14 *United States Government must pursue a comprehen-*
15 *sive strategy to ensure that the appropriate research,*
16 *development, and applications activities and other re-*
17 *forms occur so these technologies are readily available*
18 *to United States manufacturers for incorporation into*
19 *products made in the United States.*

20 *(4) Maintaining a highly competitive manufac-*
21 *turing base in the United States is essential for eco-*
22 *nomie prosperity and national welfare and requires*
23 *continuous development and adoption of advanced*
24 *manufacturing technologies that will enable United*
25 *States manufacturers to develop innovative products*

1 *rapidly and manufacture goods of the highest quality*
2 *at competitive prices.*

3 *(5) While the private sector must take the lead*
4 *in the development, application, and manufacture of*
5 *new technologies, the Federal Government should—*

6 *(A) assist industry in the development of*
7 *high-risk, long-term precommercial technologies*
8 *which promise large economic benefits for the*
9 *Nation;*

10 *(B) support industry-led efforts to develop*
11 *and refine advanced manufacturing technologies,*
12 *including technologies which improve productiv-*
13 *ity and quality and which build upon and en-*
14 *hance employee skills;*

15 *(C) work with States, the private sector,*
16 *worker organizations, and technical and profes-*
17 *sional societies to help small- and medium-sized*
18 *manufacturers throughout the Nation to adopt*
19 *best current manufacturing technologies and*
20 *practices, to improve worker skills, to establish*
21 *high-performance work organizations, and to*
22 *prepare, as appropriate, to adopt the advanced*
23 *computer-controlled manufacturing technologies*
24 *of the twenty-first century; and*

1 (D) cooperate with industry and academia
2 to help create an advanced information infra-
3 structure for the United States.

4 (6) In working with industry to promote the
5 technological leadership and economic growth of the
6 United States, the Federal Government also has a re-
7 sponsibility to consult with business and labor leaders
8 on industry's long-term technological and skill needs,
9 to monitor technological trends, production process
10 trends, and technology targeting efforts in other na-
11 tions, and generally to ensure that Federal technology
12 and industrial modernization programs help United
13 States industry to remain competitive and create
14 good domestic jobs.

15 (7) Technology-based products of the twenty-first
16 century should be developed incorporating the values
17 of sustainable development, including low material
18 use, safety, recyclability, and minimal pollution.

19 (8) The Department of Commerce, and particu-
20 larly its Technology Administration and National In-
21 stitute of Standards and Technology, can effectively
22 assist industry to speed the development and utiliza-
23 tion of new technologies, improve and modernize
24 manufacturing, adopt new methods of production,
25 and ensure a growing and healthy national industrial

1 *base and good manufacturing jobs. To promote the*
2 *long-term economic growth of the Nation, these De-*
3 *partment of Commerce programs should be strength-*
4 *ened and expanded.*

5 **SEC. 103. PURPOSES.**

6 *The purposes of this Act are to—*

7 *(1) strengthen and expand the ability of Federal*
8 *technology programs, particularly those of the Depart-*
9 *ment of Commerce, to support industry-led and State-*
10 *supported efforts to improve the technological capa-*
11 *bilities, manufacturing performance, information in-*
12 *frastructure, and employment opportunities of the*
13 *United States;*

14 *(2) promote and facilitate, particularly through*
15 *the Advanced Technology Program of the Department*
16 *of Commerce, the creation, development, and adoption*
17 *of technologies that will contribute significantly to*
18 *United States economic competitiveness, employment,*
19 *high quality jobs, and prosperity;*

20 *(3) develop a nationwide network of sources of*
21 *technological and industrial modernization advice for*
22 *manufacturers, particularly small and medium-sized*
23 *firms, and provide high quality, current information*
24 *to that network;*

1 (4) encourage cooperation among Federal depart-
2 ments and agencies to help companies, managers, and
3 workers, in a coordinated fashion, to take full advan-
4 tage of advanced manufacturing technologies, to im-
5 prove productivity and quality, and adopt advanced
6 workplace practices which successfully integrate tech-
7 nology and employees;

8 (5) stimulate the flow of capital to business con-
9 cerns engaged principally in development or utiliza-
10 tion of critical technologies and other advanced man-
11 ufacturing technologies;

12 (6) ensure the widest possible application of
13 high-performance computing and high-speed
14 networking and aid United States industry to develop
15 an advanced national information infrastructure; and

16 (7) enhance and expand the core programs of the
17 National Institute of Standards and Technology.

18 **SEC. 104. DEFINITIONS.**

19 For purposes of this Act—

20 (1) the terms “advanced manufacturing tech-
21 nology”, “advanced workplace practices”, “modern
22 technology”, and “sustainable economic growth” have
23 the meanings given such terms, respectively, in sec-
24 tion 4 of the Stevenson-Wydler Technology Innovation
25 Act of 1980, as amended by section 211(b) of this Act;

1 (2) the term “critical technologies” means tech-
2 nologies identified as critical technologies pursuant to
3 section 603(d) of the National Science and Technology
4 Policy, Organization, and Priorities Act of 1976 (42
5 U.S.C. 6683(d));

6 (3) the term “Director” means the Director of the
7 Institute;

8 (4) the term “Institute” means the National In-
9 stitute of Standards and Technology;

10 (5) the term “Secretary” means the Secretary of
11 Commerce;

12 (6) the term “small business” has the meaning
13 given such term in the Small Business Act;

14 (7) the term “source reduction” has the meaning
15 given that term in section 6603 of the Pollution Pre-
16 vention Act of 1990 (42 U.S.C. 13102);

17 (8) the term “State” means any of the several
18 States, the District of Columbia, the Commonwealth
19 of Puerto Rico, the Virgin Islands, Guam, American
20 Samoa, the Commonwealth of the Northern Mariana
21 Islands, or any other territory or possession of the
22 United States;

23 (9) the term “Under Secretary” means the
24 Under Secretary of Commerce for Technology; and

1 (10) the term “United States” means the several
2 States, the District of Columbia, the Commonwealth
3 of Puerto Rico, the Virgin Islands, Guam, American
4 Samoa, the Commonwealth of the Northern Mariana
5 Islands, and any other territory or possession of the
6 United States.

7 **SEC. 105. OVERALL AUTHORIZATION LIMIT.**

8 Notwithstanding any other provision of this Act, the
9 total amount authorized to be appropriated under this Act
10 shall not exceed \$1,900,000,000.

11 **TITLE II—MANUFACTURING**

12 **SEC. 201. SHORT TITLE.**

13 This title may be cited as the “Manufacturing Tech-
14 nology and Extension Act of 1994”.

15 **Subtitle A—Manufacturing**
16 **Technology and Extension**

17 **SEC. 211. MANUFACTURING AMENDMENTS TO THE STEVEN-**

18 **SON-WYDLER TECHNOLOGY INNOVATION**

19 **ACT.**

20 (a) *AMENDMENTS.*—The Stevenson-Wydler Technology
21 Innovation Act of 1980 (15 U.S.C. 3701 et seq.), as amend-
22 ed by section 213 of this Act, is further amended by adding
23 after section 101 (as so redesignated by section 213 of this
24 Act) the following new sections:

1 ***“SEC. 102. MANUFACTURING TECHNOLOGY.***

2 *“(a) STATEMENT OF POLICY.—Congress declares that*
3 *it is the policy of the United States that—*

4 *“(1) Federal agencies, particularly the Depart-*
5 *ment of Commerce, shall work with manufacturers in*
6 *the United States and labor to ensure that within 10*
7 *years of the date of enactment of the National Com-*
8 *petitiveness Act of 1994 the United States is second*
9 *to no other nation in the development, deployment,*
10 *and use of advanced manufacturing technologies;*

11 *“(2) all the major Federal research and develop-*
12 *ment agencies shall place a high priority on the devel-*
13 *opment and deployment of skill-based and advanced*
14 *manufacturing technologies, and shall work closely*
15 *with manufacturers in the United States and labor*
16 *and with the Nation’s universities to develop and test*
17 *those technologies; and*

18 *“(3) since the development of new skills in the*
19 *existing and entry workforce, and the development of*
20 *new organizational and managerial approaches, are*
21 *integral parts of successfully deploying advanced*
22 *manufacturing technologies and related technologies,*
23 *advanced workplace practices should be developed and*
24 *deployed simultaneously and in a coordinated fashion*
25 *with the development and deployment of advanced*
26 *manufacturing technologies.*

1 “(b) *ROLE OF THE DEPARTMENT OF COMMERCE.—*
2 *The Department of Commerce, consistent with the policy*
3 *declared in subsection (a), shall have primary responsibil-*
4 *ity in the Federal Government for commercial and indus-*
5 *trial civilian technology and shall—*

6 “(1) *through the activities of the Technology Ad-*
7 *ministration, the Institute’s laboratories, and the Ad-*
8 *vanced Technology Program created under section 28*
9 *of the National Institute of Standards and Technology*
10 *Act (15 U.S.C. 278n), work with manufacturers in*
11 *the United States and labor and, as appropriate, with*
12 *other Federal departments and agencies to help de-*
13 *velop new generic advanced manufacturing tech-*
14 *nologies, including technologies which build upon and*
15 *enhance employee skills and technologies which facili-*
16 *tate flexibility, agility, and electronic integration in*
17 *manufacturing enterprises;*

18 “(2) *through the Manufacturing Extension Part-*
19 *nership established under section 24 of the National*
20 *Institute of Standards and Technology Act and*
21 *through other activities of the Department, assist the*
22 *States and the private sector to help manufacturers in*
23 *the United States, especially small and medium-sized*
24 *manufacturing enterprises, to adopt modern tech-*
25 *nologies and advanced workplace practices and, as*

1 *appropriate, advanced manufacturing technologies*
2 *and equipment;*

3 *“(3) work with the private sector, other Federal*
4 *departments and agencies, State and local govern-*
5 *ments, and educational institutions to—*

6 *“(A) help develop advanced workplace prac-*
7 *tices, improved supplier-customer relations,*
8 *manufacturing modernization and investment*
9 *justification strategies, and other steps which*
10 *would accelerate the development, deployment,*
11 *and use of advanced manufacturing technologies*
12 *by United States companies; and*

13 *“(B) evaluate foreign programs to modern-*
14 *ize manufacturing;*

15 *“(4) have primary responsibility in the Federal*
16 *Government in working with industry and labor and*
17 *the States to develop advanced manufacturing tech-*
18 *nologies and to promote and assist the adoption and*
19 *use of modern technologies, advanced manufacturing*
20 *technologies, and management techniques throughout*
21 *the United States; and*

22 *“(5) through the Under Secretary, develop meas-*
23 *urements and coordinate with appropriate Federal*
24 *agencies to ensure that Federal research and develop-*

1 *ment expenditures are linked to the economic needs of*
2 *industry and the promotion of economic growth.*

3 ***“SEC. 103. MANUFACTURING ADVISORY COMMITTEE.***

4 *“(a) ESTABLISHMENT.—Subject to subsection (d), the*
5 *Secretary shall establish a Manufacturing Advisory Com-*
6 *mittee (in this section referred to as the ‘Committee’), which*
7 *shall be chaired by the Secretary and which shall provide*
8 *advice to the Secretary and, as appropriate, to other Fed-*
9 *eral officials.*

10 *“(b) FUNCTIONS.—The Committee shall—*

11 *“(1) collect and analyze information on the*
12 *range of factors which determine the success of United*
13 *States-based manufacturing industries, and particu-*
14 *larly factors regarding the development of advanced*
15 *manufacturing technologies, the deployment of mod-*
16 *ern technologies, and the application of advanced*
17 *workplace practices;*

18 *“(2) identify areas where appropriate coopera-*
19 *tion between the Federal Government and industry*
20 *and labor, including Government support for indus-*
21 *try-led joint research and development ventures and*
22 *for manufacturing extension activities, would enhance*
23 *United States industrial competitiveness, and provide*
24 *advice and guidance for such cooperative efforts;*

1 “(3) provide guidance on what Federal policies
2 and practices are necessary to strengthen United
3 States-based manufacturing, particularly Federal
4 policies and practices regarding research budgets,
5 interagency coordination and initiatives, and tech-
6 nology transfer; and

7 “(4) generally develop recommendations for guid-
8 ing Federal agency and interagency activities related
9 to United States-based manufacturing.

10 “(c) MEMBERSHIP AND PROCEDURES.—(1) The Com-
11 mittee shall be composed of 16 members, of whom—

12 “(A) 6 members shall be the Secretary, the Direc-
13 tor of the Office of Science and Technology Policy, the
14 Secretary of Defense, the Secretary of Energy, the
15 Secretary of Labor, and the Director of the National
16 Science Foundation, or their designees; and

17 “(B) 10 members shall, within 120 days after the
18 date of enactment of the National Competitiveness Act
19 of 1994, be appointed by the Secretary from the pri-
20 vate manufacturing industry, worker organizations,
21 technical and professional societies, State technology
22 agencies, and academia.

23 At least two of the members appointed under subparagraph
24 (B) shall be from small business.

1 “(2) *The Secretary shall call the first meeting of the*
2 *Committee within 30 days after the appointment of mem-*
3 *bers is completed.*

4 “(3) *The Committee may use such personnel detailed*
5 *from Federal agencies as may be necessary to enable it to*
6 *perform its functions.*

7 “(4) *Nine members of the Committee shall constitute*
8 *a quorum for the transaction of business.*

9 “(5) *Members of the Committee, other than full-time*
10 *employees of the Federal Government, while attending meet-*
11 *ings of the Committee or otherwise performing duties of the*
12 *Committee while away from their homes or regular places*
13 *of business, shall be allowed travel expenses in accordance*
14 *with subchapter I of chapter 57 of title 5, United States*
15 *Code.*

16 “(6) *The Committee, as appropriate, shall work with*
17 *the Department of Commerce Technology Advisory Board*
18 *and with other appropriate Federal advisory mechanisms*
19 *to ensure integrated Federal-private consideration of tech-*
20 *nology and manufacturing policies and programs.*

21 “(d) *SECRETARIAL DISCRETION.—Notwithstanding*
22 *any other provision of this section, the Secretary shall have*
23 *the discretion to decide whether to establish the Committee*
24 *or create a more cost-effective way to achieve the goal of*
25 *closer cooperation with industry. If the Secretary exercises*

1 *such discretion and establishes an alternative mechanism,*
2 *the Under Secretary shall make an effort to ensure the par-*
3 *ticipation of socially and economically disadvantaged indi-*
4 *viduals (within the meaning of section 8(a) (5) and (6) of*
5 *the Small Business Act, and including women) in the alter-*
6 *native mechanism.”.*

7 (b) *ADDITIONAL DEFINITIONS.—Section 4 of the Ste-*
8 *venson-Wydler Technology Innovation Act of 1980 (15*
9 *U.S.C. 3703) is amended by adding at the end the following*
10 *new paragraphs:*

11 “(14) ‘Advanced manufacturing technology’
12 means—

13 “(A) numerically-controlled machine tools,
14 robots, automated process control equipment,
15 computerized flexible manufacturing systems, as-
16 sociated computer software, and other technology
17 for improving manufacturing and industrial
18 production of goods, including biotechnology
19 products, which advance the state-of-the-art; or

20 “(B) novel manufacturing techniques and
21 processes not previously generally available that
22 improve manufacturing quality, productivity,
23 and practices, including engineering design,
24 quality assurance, concurrent engineering, con-
25 tinuous process production technology, inventory

1 *management, upgraded worker skills, commu-*
2 *nications with customers and suppliers, and pro-*
3 *motion of sustainable economic growth.*

4 *“(15) ‘Modern technology’ means the best avail-*
5 *able proven technology, techniques, and processes ap-*
6 *propriate to enhancing the productivity of manufac-*
7 *turers or to promoting sustainable economic growth.*

8 *“(16) ‘Advanced workplace practices’ means in-*
9 *novations in work organization and performance, in-*
10 *cluding high-performance workplace systems, flexible*
11 *production techniques, quality programs, continuous*
12 *improvement, concurrent engineering, close relations*
13 *between suppliers and customers, widely diffused deci-*
14 *sion-making and work teams, and effective integra-*
15 *tion of production technology, worker skills and train-*
16 *ing, and workplace organization.*

17 *“(17) ‘Sustainable economic growth’ means eco-*
18 *nomie growth that enhances the national quality of*
19 *life and preserves environmental integrity.”.*

20 **SEC. 212. MANUFACTURING AMENDMENTS TO THE NA-**
21 **TIONAL INSTITUTE OF STANDARDS AND**
22 **TECHNOLOGY ACT.**

23 (a) NATIONAL QUALITY LABORATORY; MANUFACTUR-
24 *ING EXTENSION PARTNERSHIP.—The National Institute of*

1 *Standards and Technology Act (15 U.S.C. 271 et seq.) is*
2 *amended—*

3 *(1) by redesignating sections 29 through 31 as*
4 *sections 31 through 33, respectively;*

5 *(2) by redesignating sections 23 and 24 as sec-*
6 *tions 29 and 30, respectively; and*

7 *(3) by inserting after section 22 the following*
8 *new sections:*

9 *“NATIONAL QUALITY LABORATORY*

10 *“SEC. 23. A National Quality Laboratory is estab-*
11 *lished within the Institute, the purpose of which is to per-*
12 *form research and outreach activities to assist private sector*
13 *quality efforts and to serve as a mechanism by which com-*
14 *panies in the United States, universities and other inter-*
15 *ested parties, and the Institute can work together to advance*
16 *quality management programs and to share and, as appro-*
17 *priate, develop manufacturing best practices.*

18 *“MANUFACTURING EXTENSION PARTNERSHIP*

19 *“SEC. 24. (a) There is established within the Institute*
20 *a Manufacturing Extension Partnership (in this section re-*
21 *ferred to as the ‘Partnership’). The Secretary, acting*
22 *through the Under Secretary and the Director, shall imple-*
23 *ment and coordinate the Partnership in accordance with*
24 *the initial and 5-year plans prepared under subsection (h).*
25 *The purpose of the Partnership is to link electronically and*
26 *strengthen the Nation’s manufacturing extension centers*

1 *and activities in order to assist manufacturers in the Unit-*
2 *ed States, especially small- and medium-sized companies,*
3 *to expand and accelerate the use of modern technologies,*
4 *and to accelerate the development and use of advanced man-*
5 *ufacturing technologies and advanced workplace practices.*

6 “(b) *The Partnership shall be a cooperative effort of*
7 *the Department of Commerce, the States, manufacturers in*
8 *the United States, labor, nonprofit organizations, and, as*
9 *appropriate, other Federal agencies to provide a national*
10 *system of manufacturing extension centers and technical*
11 *services to United States companies, particularly small-*
12 *and medium-sized manufacturers. The Partnership shall*
13 *include—*

14 “(1) *Manufacturing Outreach Centers, as author-*
15 *ized under subsection (c);*

16 “(2) *Regional Centers for the Transfer of Manu-*
17 *facturing Technology and Local Manufacturing Of-*
18 *fices, as established under section 25, and the State*
19 *Technology Extension Program, as established under*
20 *section 26;*

21 “(3) *the outreach network provided for under*
22 *subsection (d) and the clearinghouse system developed*
23 *under subsection (e); and*

24 “(4) *such technology and manufacturing exten-*
25 *sion centers supported by other Federal departments*

1 *and agencies, States, industry, and nonprofit organi-*
2 *zations as the Secretary considers appropriate for in-*
3 *clusion in the Partnership.*

4 *“(c)(1) Government and private sector organizations,*
5 *actively engaged in technology or manufacturing extension*
6 *activities, may apply to the Secretary to be designated as*
7 *Manufacturing Outreach Centers. Eligible organizations*
8 *may include Federal, State, and local government agencies,*
9 *their extension programs, and their laboratories; small busi-*
10 *ness development centers; and appropriate programs run by*
11 *professional and technical societies, worker organizations,*
12 *industrial organizations, for-profit or nonprofit organiza-*
13 *tions, community development organizations, State univer-*
14 *sities and other universities, community colleges, and tech-*
15 *nical schools and colleges, including, where appropriate,*
16 *vendor-supported demonstrations of production applica-*
17 *tions.*

18 *“(2) The purpose of such Manufacturing Outreach*
19 *Centers shall be to—*

20 *“(A) disseminate technical and information serv-*
21 *ices to manufacturers in the United States, particu-*
22 *larly small- and medium-sized companies; and*

23 *“(B) strengthen direct assistance to small- and*
24 *medium-sized manufacturers in the United States to*

1 *expand and accelerate the use of modern technologies*
2 *and advanced workplace practices.*

3 *“(3) The Secretary shall establish terms and conditions*
4 *of participation in a Manufacturing Outreach Center, in-*
5 *cluding qualifications of start-up programs as Manufactur-*
6 *ing Outreach Centers, and may provide financial assist-*
7 *ance, on a cost-shared basis and through competitive, merit-*
8 *based review processes, to nonprofit or government partici-*
9 *pants throughout the United States to enable them to estab-*
10 *lish a Manufacturing Outreach Center.*

11 *“(4) Any Regional Center for the Transfer of Manufac-*
12 *turing Technology may apply to the Secretary to establish*
13 *a Manufacturing Outreach Center, managed by or in co-*
14 *operation with such Regional Center, if the Manufacturing*
15 *Outreach Center would be located outside and would pri-*
16 *marily serve an area outside the effective service area of*
17 *such Regional Center. Funding for the establishment and*
18 *management of such Manufacturing Outreach Center may*
19 *be awarded to such Regional Center under this subsection,*
20 *notwithstanding the restrictions of paragraph (6).*

21 *“(5) If a State plan for technology extension exists in*
22 *a State where an applicant for financial assistance under*
23 *this subsection is operating or plans to operate, the appli-*
24 *cant shall demonstrate in its application that its proposal*
25 *is compatible with such State plan.*

1 “(6) If a Manufacturing Outreach Center is in or near
2 a State which has a Regional Center for the Transfer of
3 Manufacturing Technology, the Director shall, as appro-
4 priate, encourage the Manufacturing Outreach Center to co-
5 operate with the Regional Center in coordinating its pro-
6 posals and ongoing programs to serve manufacturers in the
7 region. Manufacturing Outreach Centers may not concur-
8 rently be designated as Regional Centers for the Transfer
9 of Manufacturing Technology under section 25.

10 “(7) Financial assistance may be awarded under this
11 subsection for an initial period not to exceed 3 years and
12 may, subject to successful evaluation by the Institute, be re-
13 newed for additional periods, not to exceed 3 years each.
14 Such assistance may not at any time exceed 50 percent of
15 the operating costs and other costs of the Manufacturing
16 Outreach Center, as defined by regulation.

17 “(d)(1) The Department of Commerce shall provide for
18 an instantaneous, interactive electronic communications
19 network (in this section referred to as the ‘outreach net-
20 work’) to serve the Partnership, to facilitate effective and
21 efficient interaction within it, and to permit the collection
22 and dissemination in electronic form, in a timely and accu-
23 rate manner, of information described in subsection (e). The
24 outreach network shall, wherever practicable, make use of
25 existing public and private computer networks, data bases,

1 *and electronic bulletin boards. The design, configuration,*
2 *acquisition plan, and operating policies, including user fees*
3 *and appropriate electronic access for public and private in-*
4 *formation suppliers and users, of the outreach network shall*
5 *be included in the 5-year plan prepared under subsection*
6 *(h)(2).*

7 “(2) *Except as provided in this section, the outreach*
8 *network established under paragraph (1) shall be designed*
9 *and configured in a manner that will enable interoper-*
10 *ability with networks and technologies developed under the*
11 *National High-Performance Computing Program described*
12 *in section 101 of the High-Performance Computing Act of*
13 *1991 (15 U.S.C. 5511). The Secretary shall also, as appro-*
14 *priate, coordinate activities under this subsection with the*
15 *relevant activities of other Federal agencies, particularly*
16 *the agile manufacturing/enterprise integration activities of*
17 *the Department of Defense.*

18 “(e)(1) *The Secretary, acting through the Under Sec-*
19 *retary, shall develop a clearinghouse system, using appro-*
20 *priate components of the Technology Administration and*
21 *other public and private sector information providers and*
22 *carriers, where appropriate, to—*

23 “(A) *identify expertise and acquire information,*
24 *appropriate to the purpose of the Partnership stated*
25 *in subsection (a), from all available Federal sources,*

1 *and where appropriate from other sources, providing*
2 *assistance where necessary in making such informa-*
3 *tion electronically available and compatible with the*
4 *outreach network established under subsection (d);*

5 *“(B) ensure ready access by manufacturers, gov-*
6 *ernmental agencies, and nonprofit organizations in*
7 *the United States to the most recent relevant available*
8 *such information and expertise;*

9 *“(C) ensure that common standards of inter-*
10 *connection are utilized by the outreach network and*
11 *the clearinghouse to allow maximum interoperability*
12 *and usership; and*

13 *“(D) to the extent practicable, inform potential*
14 *users of the availability of such information.*

15 *“(2) The clearinghouse shall include information*
16 *available electronically regarding—*

17 *“(A) activities of Manufacturing Outreach Cen-*
18 *ters, Regional Centers for the Transfer of Manufactur-*
19 *ing Technology, the State Technology Extension Pro-*
20 *gram, and the users of the outreach network;*

21 *“(B) domestic and international standards from*
22 *the Institute and private sector organizations and*
23 *other export promotion information, including con-*
24 *formity assessment requirements and procedures;*

1 “(C) the Malcolm Baldrige National Quality
2 Award program, and quality principles and stand-
3 ards;

4 “(D) manufacturing processes that minimize
5 waste and negative environmental impact;

6 “(E) advanced workplace practices;

7 “(F) federally funded technology development
8 and transfer programs;

9 “(G) responsibilities assigned to the Clearing-
10 house for State and Local Initiatives on Productivity,
11 Technology, and Innovation;

12 “(H) how to access data bases and services;

13 “(I) skills training, particularly for production
14 workers, that is available through trade and profes-
15 sional organizations, federally supported programs,
16 State resources, private industry, or other organiza-
17 tions; and

18 “(J) other subjects relevant to the ability of com-
19 panies to manufacture and sell competitive products
20 throughout the world.

21 “(f) In carrying out this section, the Department of
22 Commerce shall take into consideration the following prin-
23 ciples:

24 “(1) The Partnership and the outreach network
25 provided for under subsection (d) shall be established

1 *and operated through cooperation and co-funding*
2 *among Federal, State, and local governments, other*
3 *public and private contributors, and end users.*

4 *“(2) The Partnership and the outreach network*
5 *shall utilize and leverage, to the extent practicable, ex-*
6 *isting organizations, data bases, electronic networks,*
7 *facilities, and capabilities, and shall be designed to*
8 *complement rather than supplant State and local pro-*
9 *grams.*

10 *“(3) The Partnership should, to the extent prac-*
11 *ticable, involve key stakeholders at all levels in the*
12 *planning and governance of modernization strategies;*
13 *concentrate on assisting local clusters of firms; assist*
14 *rural as well as urban manufacturers; promote col-*
15 *laborative learning and cooperative action among*
16 *manufacturers; link industrial modernization pro-*
17 *grams tightly to existing and future Federal training*
18 *initiatives, including those for youth apprenticeship*
19 *programs and for assisting other workers; encourage*
20 *small firms to seek modernization services by working*
21 *with major manufacturers; encourage small firms, as*
22 *appropriate, to select manufacturing equipment and*
23 *practices which build upon and expand the skills of*
24 *their employees; identify and honor best practices by*
25 *firms and the programs that support them, including*

1 *both technology and workplace practices; provide*
2 *funding based on performance and ensure rigorous*
3 *evaluation of extension services; as appropriate, co-*
4 *ordinate Federal programs that support manufactur-*
5 *ing modernization; work with Federal, State, local,*
6 *and private organizations so that Manufacturing*
7 *Outreach Centers and Regional Centers for the Trans-*
8 *fer of Manufacturing Technology can provide referrals*
9 *to other important business services, such as assist-*
10 *ance with financing, training, and exporting, and*
11 *contribute to local business climates supportive of*
12 *high-performance manufacturing.*

13 *“(4) The Partnership and the outreach network*
14 *provided for under subsection (d) shall be subject to*
15 *all applicable provisions of law for the protection of*
16 *trade secrets and business confidential information.*

17 *“(5) Local or regional needs should determine*
18 *the management structure and staffing of the Manu-*
19 *facturing Outreach Centers. The Partnership shall*
20 *strive for geographical balance and for balance be-*
21 *tween urban and rural recipients, with the ultimate*
22 *goal of access for all United States manufacturers.*

23 *“(6) Manufacturing Outreach Centers should*
24 *have the capability to deliver outreach services di-*
25 *rectly to manufacturers; actively work with, rather*

1 *than supplant, the private sector; help firms assess*
2 *needs regarding technology, workplace practices, and*
3 *training; and to the extent practicable, maximize the*
4 *exposure of United States manufacturers to dem-*
5 *onstrations of modern technologies in use.*

6 *“(7) Manufacturing Outreach Centers shall focus,*
7 *where possible, on the deployment of flexible manufac-*
8 *turing technologies and practices applicable to both*
9 *defense and commercial applications and on opportu-*
10 *nities to modernize operations in ways which improve*
11 *productivity, reduce waste and pollution, and in-*
12 *crease energy efficiency.*

13 *“(8) The Department of Commerce shall develop*
14 *mechanisms for—*

15 *“(A) soliciting the perspectives of manufac-*
16 *turers using the services of the Manufacturing*
17 *Outreach Centers and Regional Centers for the*
18 *Transfer of Manufacturing Technology;*

19 *“(B) assisting in the training of technology*
20 *extension agents and in helping them dissemi-*
21 *nate information on modern manufacturing*
22 *technologies, including technologies for source re-*
23 *duction, and advanced workplace practices; and*

1 “(C) rigorously evaluating the effectiveness
2 of the Manufacturing Outreach Centers and other
3 components of the Partnership.

4 “(9) This Act does not supersede, modify, or oth-
5 erwise alter the rights and obligations of employers,
6 employees, and labor organizations as set forth in the
7 National Labor Relations Act and the Railway Labor
8 Act or in any collective bargaining agreement entered
9 into by parties covered by those Acts.

10 “(g)(1) The Regional Centers for the Transfer of Manu-
11 facturing Technology and Manufacturing Outreach Centers
12 shall, as appropriate, make available source reduction and
13 energy conservation assessments to interested manufactur-
14 ers in the United States. These assessments shall assist such
15 interested manufacturers in identifying opportunities for
16 energy conservation and source reduction, and thus reduce
17 operating costs, through either improvement in manufactur-
18 ing processes or the purchase of new equipment.

19 “(2) The Secretary is authorized to work with other
20 appropriate Federal officials and other parties to provide
21 employees of Regional Centers for the Transfer of Manufac-
22 turing Technology and Manufacturing Outreach Centers
23 with the training needed to carry out the assessments speci-
24 fied in paragraph (1).

1 “(h)(1) Within 6 months after the date of enactment
2 of the National Competitiveness Act of 1994, the Secretary,
3 through the Under Secretary and Director and after con-
4 sulting with the private sector, shall submit an initial plan
5 for the implementation of this section to Congress—

6 “(A) describing how the Secretary will carry out
7 the responsibility to create, operate, and support the
8 Partnership and the outreach network;

9 “(B) establishing criteria and procedures, con-
10 sistent with the requirements of this section, for—

11 “(i) the selection of organizations to receive
12 Department of Commerce services or financial
13 assistance as part of the Partnership, including
14 qualifications and training of technology exten-
15 sion agents;

16 “(ii) access to services provided by partici-
17 pants in the Partnership and to information
18 available through the outreach network servicing
19 the Partnership; and

20 “(iii) the annual evaluation of the Partner-
21 ship in achieving the purposes of this section;
22 and

23 “(C) evaluating the need for and the benefits of
24 a National Conference of States on Technology Exten-
25 sion, similar in structure to the National Conference

1 *on Weights and Measures, and, if the Secretary deter-*
2 *mines that such a Conference is advisable, developing,*
3 *in consultation with the States and other interested*
4 *parties, a plan for the establishment, operation, fund-*
5 *ing, and evaluation of such a Conference.*

6 *“(2)(A) Within 1 year after the date of enactment of*
7 *the National Competitiveness Act of 1994, the Secretary,*
8 *through the Under Secretary and Director, shall prepare*
9 *and submit to the Congress a 5-year plan for implementing*
10 *the Partnership and the outreach network and clearing-*
11 *house established under subsections (d) and (e), respectively,*
12 *of this section.*

13 *“(B) Such 5-year plan shall address—*

14 *“(i) effective mechanisms for providing operating*
15 *funds for the maintenance and use of the outreach*
16 *network established under subsection (d), including*
17 *user fees, industry support, and continued Federal in-*
18 *vestment;*

19 *“(ii) the future operation and evolution of the*
20 *outreach network, including its relationship with*
21 *other public or private information services;*

22 *“(iii) how to protect the copyrights of material*
23 *distributed over the outreach network; and*

24 *“(iv) appropriate policies to ensure the security*
25 *of proprietary information that might be available on*

1 the outreach network and to protect the privacy of
2 users of the outreach network.

3 “(C) Such 5-year plan shall identify appropriate
4 methods for expanding the Partnership in a geographically
5 balanced manner. Such 5-year plan shall include a detailed
6 implementation plan and cost estimates and shall take into
7 consideration and build on the report submitted under
8 paragraph (1). In the preparation of such 5-year plan, the
9 Secretary shall provide an opportunity for public comment,
10 and the plan submitted to Congress shall include a sum-
11 mary of comments received. Any new types of activities pro-
12 posed by such plan may not be implemented until 90 days
13 after its submission to the Congress.

14 “(3) Beginning with the first year after submission of
15 the 5-year plan under paragraph (2), the Secretary shall
16 annually report to the Congress, at the time of the Presi-
17 dent’s annual budget request to Congress, on—

18 “(A) progress made in achieving the purposes of
19 the Partnership described in subsection (a), using cri-
20 teria and procedures established under paragraph
21 (1)(B)(iii) of this subsection;

22 “(B) changes proposed to the 5-year plan;

23 “(C) performance in adhering to schedules; and

24 “(D) any recommendations for legislative
25 changes necessary to enhance the Partnership.

1 *The report under this paragraph submitted at the end of*
2 *the fourth year of operation of the Partnership shall include*
3 *recommendations on whether to terminate the Partnership*
4 *or extend it for an additional period not to exceed 5 years.”.*

5 *(b) DEFINITIONS.—The National Institute of Stand-*
6 *ards and Technology Act (15 U.S.C. 271 et seq.) is amended*
7 *by inserting after section 1 the following new section:*

8 *“SEC. 1A. As used in this Act—*

9 *“(1) the terms ‘advanced manufacturing tech-*
10 *nology’, ‘modern technology’, ‘advanced workplace*
11 *practices’, and ‘sustainable economic growth’ have the*
12 *meanings given such terms in section 4 of the Steven-*
13 *son-Wydler Technology Innovation Act;*

14 *“(2) the term ‘independent research organiza-*
15 *tions’ means nonprofit organizations organized pri-*
16 *marily for the purpose of conducting or managing re-*
17 *search activities;*

18 *“(3) the term ‘source reduction’ has the meaning*
19 *given that term in section 6603 of the Pollution Pre-*
20 *vention Act of 1990 (42 U.S.C. 13102);*

21 *“(4) the term ‘State’ means any of the several*
22 *States, the District of Columbia, the Commonwealth*
23 *of Puerto Rico, the Virgin Islands, Guam, American*
24 *Samoa, the Commonwealth of the Northern Mariana*

1 *Islands, or any other territory or possession of the*
 2 *United States; and*

3 *“(5) the term ‘United States’ means the several*
 4 *States, the District of Columbia, the Commonwealth*
 5 *of Puerto Rico, the Virgin Islands, Guam, American*
 6 *Samoa, the Commonwealth of the Northern Mariana*
 7 *Islands, and any other territory or possession of the*
 8 *United States.”.*

9 **SEC. 213. ADDITIONAL AMENDMENTS TO THE STEVENSON-**
 10 **WYDLER TECHNOLOGY INNOVATION ACT.**

11 *The Stevenson-Wydler Technology Innovation Act of*
 12 *1980 (15 U.S.C. 3701 et seq.) is amended—*

13 *(1) by inserting after section 4 the following new*
 14 *title heading:*

15 **“TITLE I—DEPARTMENT OF COM-**
 16 **MERCE AND RELATED PRO-**
 17 **GRAMS”;**

18 *(2) by redesignating section 5 as section 101;*

19 *(3) by redesignating sections 6 through 10 as sec-*
 20 *tions 105 through 109, respectively;*

21 *(4) by striking section 21;*

22 *(5) by redesignating sections 16, 17, 18, 19, 20,*
 23 *and 22 as sections 110 through 115, respectively;*

(6) by inserting after section 115 (as redesignated by paragraph (5) of this subsection) the following new title heading:

**“TITLE II—FEDERAL
TECHNOLOGY TRANSFER”;**

(7) by redesignating sections 11 through 15 as sections 201 through 205, respectively;

(8) by redesignating section 23 as section 206;

(9) in section 4—

(A) by striking “section 5” and inserting in lieu thereof “section 101”;

(B) by striking “section 5(b)(1)” and inserting in lieu thereof “section 101(b)(1)”;

(C) in paragraphs (4) and (6), by striking “section 6” and “section 8” each place they appear and inserting in lieu thereof “section 105” and “section 107”, respectively; and

(D) in paragraph (13), by striking “section 6” and inserting in lieu thereof “section 105”;

(10) in section 108 (as redesignated by paragraph (3) of this subsection) by striking “section 6(a)” and inserting in lieu thereof “section 106(a)”;

by striking “section 6(b)” and inserting in lieu thereof “section 106(b)”;

and by striking “section 6(c)(3)” and inserting in lieu thereof “section 106(c)(3)”;

1 (11) in section 109(d) (as redesignated by para-
2 graph (2) of this subsection) by striking “section 7, 9,
3 11, 15, 17, or 20 of”;

4 (12) in section 201(i) (as redesignated by para-
5 graph (7) of this subsection) by inserting “loan, lease,
6 or” after “may”; and by inserting “Actions taken
7 under this subsection shall not be subject to Federal
8 requirements on the disposal of property.” after “ac-
9 tivities.”;

10 (13) in section 202(b) (as redesignated by para-
11 graph (7) of this subsection) by striking “section
12 14(a)(1)(B) (i), (ii), and (iv)” and inserting in lieu
13 thereof “section 204(a)(1)(B) (i), (ii), and (iv)”;

14 (14) in section 204(a)(1) (as redesignated by
15 paragraph (7) of this subsection) by striking “section
16 12” and inserting in lieu thereof “section 202”;

17 (15) in section 115 (as redesignated by para-
18 graph (5) of this subsection) by striking “Act (other
19 than sections 11, 12, and 13)” and inserting in lieu
20 thereof “title”;

21 (16) in section 206 (as redesignated by para-
22 graph (7) of this subsection)—

23 (A) by striking “section 12(d)(2)” in the in-
24 troductory matter of subsection (a) and inserting
25 in lieu thereof “section 202(d)(2)”;

1 (B) by striking “section 11(b)” in sub-
2 section (a)(2) and inserting in lieu thereof “sec-
3 tion 201(b)”;

4 (C) by striking “section 6(d)” in subsection
5 (b) and inserting in lieu thereof “section
6 105(d)”;

7 (17) in section 112 (as redesignated by para-
8 graph (5) of this subsection)—

9 (A) in the section heading, by striking
10 “**CONFERENCE**” and inserting in lieu
11 thereof “**CONFERENCES**”;

12 (B) by striking “Not later than” through
13 “shall convene a conference” and inserting in
14 lieu thereof “The Secretary, through the Under
15 Secretary, in consultation with other appro-
16 priate officials, may convene conferences”;

17 (C) by striking “such conference shall” and
18 in insert in lieu thereof “any such conferences
19 shall, whenever appropriate,”;

20 (18) by adding at the end of section 201 (as re-
21 designated by paragraph (7) of this subsection) the
22 following new subsection:

23 “(j) *ADDITIONAL TECHNOLOGY TRANSFER MECHA-*
24 *NISMS.*—In addition to the technology transfer mechanisms
25 set forth in this section and section 202, the heads of Federal

1 *departments and agencies also may transfer technologies*
2 *through the technology transfer, extension, and deployment*
3 *programs of the Department of Commerce and the Depart-*
4 *ment of Defense.”; and*

5 *(19) in section 101(c) (as redesignated by para-*
6 *graph (2) of this subsection)—*

7 *(A) by striking “and” at the end of para-*
8 *graph (14);*

9 *(B) by striking the period at the end of*
10 *paragraph (15) and inserting in lieu thereof “;*
11 *and”;* and

12 *(C) by adding at the end the following new*
13 *paragraph:*

14 *“(16) engage in joint projects with any person or per-*
15 *sons on matters within the authority of the Department of*
16 *Commerce, accept temporary personnel from industrial*
17 *partners, and receive cash donations in the course of such*
18 *joint projects, and in conjunction with the planning and*
19 *operation of such joint projects hold private meetings of*
20 *matters of mutual interest with groups of interested persons,*
21 *in order to protect sensitive information about United*
22 *States industry and to ensure industry participation in*
23 *such joint projects.”.*

1 **SEC. 214. MANUFACTURING TECHNOLOGY CENTERS.**

2 (a) *AMENDMENTS.*—(1) *Section 25(a) of the National*
3 *Institute of Standards and Technology Act (15 U.S.C.*
4 *278k(a)) is amended by striking “and” at the end of para-*
5 *graph (4); by striking the period at the end of paragraph*
6 *(5) and inserting in lieu thereof a semicolon; and by insert-*
7 *ing after paragraph (5) the following new paragraphs:*

8 “(6) *the active dissemination of information on*
9 *advanced workplace practices and available education*
10 *and training programs, and the encouragement of*
11 *companies to train workers in the effective use of*
12 *modern technologies and advanced manufacturing*
13 *technologies; and*

14 “(7) *demonstration projects in which Centers*
15 *work with States, local governments, community de-*
16 *velopment organizations, worker and business organi-*
17 *zations, and community banks to create a business*
18 *climate supportive of high-performance manufactur-*
19 *ing.”.*

20 (2) *Section 25(b) of the National Institute of Stand-*
21 *ards and Technology Act (15 U.S.C. 278k(b)) is amended*
22 *by striking “and” at the end of paragraph (2); by redesign-*
23 *ating paragraph (3) as paragraph (4); and by inserting*
24 *after paragraph (2) the following new paragraph:*

25 “(3) *assessments of client companies’ moderniza-*
26 *tion needs, assistance in implementing quality proc-*

1 *esses, advice on pollution minimization and source re-*
2 *duction, and, where needed, cooperation with training*
3 *institutions to ensure that employees, particularly*
4 *production workers, receive training in the most effec-*
5 *tive use of modern technologies and advanced work-*
6 *place practices; and”.*

7 *(3) Section 25(c) of the National Institute of Stand-*
8 *ards and Technology Act (15 U.S.C. 278k(c)) is amended—*

9 *(A) in paragraph (1) by striking “for a period*
10 *not to exceed six years”; and*

11 *(B) in paragraph (5) by striking “which are de-*
12 *signed” and all that follows through the period at the*
13 *end of the paragraph and inserting in lieu thereof “to*
14 *a maximum of one-third Federal funding. Each Cen-*
15 *ter which receives financial assistance under this sec-*
16 *tion shall be evaluated during its sixth year of oper-*
17 *ation, and at least triennially thereafter as the Sec-*
18 *retary considers appropriate, by an evaluation panel*
19 *appointed by the Secretary in the same manner as*
20 *was the evaluation panel previously appointed. The*
21 *Secretary shall not provide funding for additional*
22 *years of the Center’s operation unless the most recent*
23 *evaluation is positive and the Secretary finds that*
24 *continuation of funding furthers the purposes of this*
25 *section.”.*

1 (4) *Section 25 of the National Institute of Standards*
2 *and Technology Act (15 U.S.C. 278k) is amended by adding*
3 *at the end the following new subsections:*

4 “(e) *In addition to any assistance provided or con-*
5 *tracts entered into with a Center under this section, the Di-*
6 *rector is authorized to make separate and smaller awards,*
7 *through a competitive process, to nonprofit organizations*
8 *which wish to work with a Center. Such awards shall be*
9 *for the purpose of enabling those organizations to provide*
10 *outreach services, in collaboration with the Center, to man-*
11 *ufacturers located in parts of the region served by the Center*
12 *which are not easily accessible to the Center and which are*
13 *not served by any other manufacturing outreach center. Or-*
14 *ganizations which receive such awards shall be known as*
15 *Local Manufacturing Offices. In reviewing applications, the*
16 *Director shall consider the needs of rural as well as urban*
17 *manufacturers. No single award for a Local Manufacturing*
18 *Office shall be for more than 3 years, awards shall be renew-*
19 *able through the competitive awards process, and no award*
20 *shall be made unless the applicant provides matching funds*
21 *at least equal to the amount received under this subsection.*

22 “(f) *In carrying out this section, the Director shall co-*
23 *ordinate his efforts with the plans for the Manufacturing*
24 *Extension Partnership established under section 24.”.*

1 **SEC. 215. STATE TECHNOLOGY EXTENSION PROGRAM.**

2 (a) *ESTABLISHMENT.*—Section 26(a) of the National
3 Institute of Standards and Technology Act (15 U.S.C.
4 278l(a)) is amended—

5 (1) by inserting after “(a)” the following new
6 sentence: “There is established within the Institute a
7 State Technology Extension Program.”; and

8 (2) by inserting “through that Program” after
9 “technical assistance”.

10 (b) *ASSISTANCE PROVIDED BY PROGRAM.*—Section 26
11 of the National Institute of Standards and Technology Act
12 (15 U.S.C. 278l) is amended by adding at the end the fol-
13 lowing new subsection:

14 “(c) In addition to the general authorities listed in
15 subsection (b), the State Technology Extension Program
16 also shall, through merit-based competitive review processes
17 and to the extent provided in advance in appropriations
18 Acts—

19 “(1) make awards to States and conduct work-
20 shops, pursuant to section 5121(b) of the Omnibus
21 Trade and Competitiveness Act of 1988 (15 U.S.C.
22 278l note) in order to help States improve their plan-
23 ning and coordination of technology extension activi-
24 ties;

25 “(2) assist States, including States which his-
26 torically have had no manufacturing or technology

1 *extension programs or only small programs, to plan,*
2 *develop, and coordinate such programs and to help*
3 *bring those State programs to a level of performance*
4 *where they can provide the full range of manufactur-*
5 *ing extension services required by their manufacturers*
6 *or, as appropriate, apply successfully for awards to*
7 *establish Manufacturing Outreach Centers, Regional*
8 *Centers for the Transfer of Manufacturing Tech-*
9 *nology, or both;*

10 *“(3) support industrial modernization dem-*
11 *onstration projects to help States create networks*
12 *among small manufacturers for the purpose of facili-*
13 *tating technical assistance, group services, and im-*
14 *proved productivity and competitiveness;*

15 *“(4) support State efforts to develop and test in-*
16 *novative ways to help small- and medium-sized man-*
17 *ufacturers in the United States improve their tech-*
18 *nical capabilities, including, as appropriate, State*
19 *contracts with private-sector technology transfer com-*
20 *panies to provide technology assistance and develop-*
21 *ment services that are beyond the current capacity of*
22 *a given State’s industrial extension activities;*

23 *“(5) support State efforts designed to help small-*
24 *and medium-sized manufacturers in rural as well as*
25 *urban areas improve and modernize their technical*

1 *capabilities, including, as appropriate, interstate ef-*
2 *forts to achieve such end;*

3 *“(6) support State efforts to assist interested*
4 *small defense manufacturing firms to convert their*
5 *production to nondefense or dual-use purposes;*

6 *“(7) support planning for worker technology*
7 *education programs in the States at institutions such*
8 *as research universities, community colleges, technical*
9 *and professional societies, labor education centers,*
10 *labor-management committees, and worker organiza-*
11 *tions in production technologies critical to the Na-*
12 *tion’s future, with an emphasis on high-performance*
13 *work systems, the skills necessary to use advanced*
14 *manufacturing system well, and best production prac-*
15 *tice; and support on-the-job training programs in the*
16 *States to build and enhance the skills of employees,*
17 *particularly production workers, in small- and me-*
18 *dium-sized manufacturers; and*

19 *“(8) help States develop programs to train per-*
20 *sonnel who in turn can provide technical skills to*
21 *managers and workers of manufacturing firms.”.*

1 **SEC. 216. REPORT ON OPTIONS FOR ACCELERATING THE**
2 **ADOPTION OF NEW MANUFACTURING EQUIP-**
3 **MENT.**

4 *Within 1 year after the date of enactment of this Act,*
5 *the Secretary, acting through the Under Secretary, shall*
6 *submit to Congress a report on—*

7 *(1) the degree to which United States manufac-*
8 *turers have difficulty obtaining financing for the pur-*
9 *pose of purchasing equipment needed to implement*
10 *advanced manufacturing technology and modernize*
11 *operations;*

12 *(2) the policies and practices followed in other*
13 *industrialized countries to help manufacturers obtain*
14 *financing for modernization; and*

15 *(3) the advantages, disadvantages, and costs of*
16 *major options by which the Federal Government*
17 *might help stimulate the flow of capital to manufac-*
18 *turers and thus accelerate industrial modernization,*
19 *including—*

20 *(A) creation of a Government-sponsored en-*
21 *terprise to stimulate the flow of capital to manu-*
22 *facturing;*

23 *(B) increasing technical advice to banks*
24 *and other financial institutions, perhaps through*
25 *the Manufacturing Extension Partnership in*
26 *order to increase their ability to judge whether or*

1 *not individual manufacturers have sound mod-*
2 *ernization plans;*

3 *(C) cooperation between extension activities*
4 *supported under the Manufacturing Extension*
5 *Partnership and manufacturing equipment leas-*
6 *ing firms in order to provide manufacturers*
7 *with additional information or equipment leas-*
8 *ing options; and*

9 *(D) tax incentives.*

10 ***Subtitle B—National Science Foun-***
11 ***dation Manufacturing Programs***

12 ***SEC. 221. NATIONAL SCIENCE FOUNDATION MANUFACTUR-***
13 ***ING PROGRAMS.***

14 *(a) IN GENERAL.—The Director of the National*
15 *Science Foundation, after, as appropriate, consultation*
16 *with the Secretary, the Under Secretary, and the Director,*
17 *shall—*

18 *(1) work with United States companies to iden-*
19 *tify areas of research in advanced manufacturing*
20 *technologies and advanced workplace practices that*
21 *offer the potential to improve United States produc-*
22 *tivity, competitiveness, and employment;*

23 *(2) support research at United States univer-*
24 *sities to improve advanced manufacturing tech-*
25 *nologies and advanced workplace practices; and*

1 (3) work with the Technology Administration of
2 the Department of Commerce and the Institute and,
3 as appropriate, other Federal agencies to accelerate
4 the transfer to United States companies of manufac-
5 turing research and innovations developed at univer-
6 sities.

7 (b) *ENGINEERING RESEARCH CENTERS AND INDUS-*
8 *TRY/UNIVERSITY COOPERATIVE RESEARCH CENTERS.*—The
9 Director of the National Science Foundation shall strength-
10 en and expand the number of Engineering Research Centers
11 and strengthen and expand the Industry/University Cooper-
12 ative Research Centers Program with the goals of increasing
13 the engineering talent base versed in technologies and work-
14 place practices critical to the Nation's future, with empha-
15 sis on advanced manufacturing technologies, and of advanc-
16 ing fundamental engineering knowledge in these tech-
17 nologies. At least one Engineering Research Center shall
18 have a research and education focus on the concerns of
19 United States manufacturers, including small- and me-
20 dium-sized manufacturers that are trying to modernize
21 their operations. Awards under this subsection shall be
22 made on a competitive, merit review basis. Such awards
23 may include support for acquisition of instrumentation,
24 equipment, and facilities related to the research and edu-
25 cation activities of the Engineering Research Centers and

1 *support for undergraduate students to participate in the ac-*
2 *tivities of the Engineering Research Centers.*

3 (c) *GRADUATE TRAINEESHIPS.*—*The Director of the*
4 *National Science Foundation, in consultation with the Sec-*
5 *retary, may establish a program to provide traineeships to*
6 *United States citizens or permanent resident aliens who are*
7 *graduate students at institutions of higher education within*
8 *the United States who choose to pursue masters or doctoral*
9 *degrees in manufacturing or industrial engineering. The*
10 *Director of the National Science Foundation shall make an*
11 *effort to ensure the provision of traineeships under this sub-*
12 *section to socially and economically disadvantaged individ-*
13 *uals (within the meaning of section 8(a) (5) and (6) of the*
14 *Small Business Act, and including women).*

15 (d) *MANUFACTURING MANAGERS IN THE CLASSROOM*
16 *PROGRAM.*—*The Director of the National Science Founda-*
17 *tion, in consultation with the Secretary, may establish a*
18 *program to provide fellowships, on a cost-shared basis, to*
19 *individuals from industry with experience in manufactur-*
20 *ing to serve for 1 or 2 years as instructors in manufactur-*
21 *ing at 2-year community and technical colleges in the Unit-*
22 *ed States. In selecting fellows, the Director of the National*
23 *Science Foundation shall place special emphasis on sup-*
24 *porting individuals who not only have expertise and prac-*
25 *tical experience in manufacturing but who also will work*

1 *to foster cooperation between 2-year colleges and nearby*
2 *manufacturing firms.*

3 (e) *PROGRAMS TO TEACH TOTAL QUALITY MANAGE-*
4 *MENT.—The Director of the National Science Foundation,*
5 *in consultation with the Secretary, the Under Secretary,*
6 *and the Director, may establish a program to develop inno-*
7 *vative curricula, courses, and materials for use by institu-*
8 *tions of higher education for instruction in total quality*
9 *management and related management practices, in order*
10 *to help improve the productivity of United States compa-*
11 *nies.*

12 (f) *SMALL MANUFACTURERS RENEWAL AND TRAIN-*
13 *ING.—(1) The Director of the National Science Foundation,*
14 *acting in cooperation with the Director, shall establish and*
15 *carry out a pilot program, known as the Small Manufac-*
16 *turers Renewal and Training Program in this subsection*
17 *referred to as the “Program”), to award grants to eligible*
18 *partnerships for internship activities under this section.*
19 *Partnerships between engineering colleges and manufactur-*
20 *ing extension centers are eligible to apply for grants under*
21 *the Program and be designated as SMaRT Partnerships.*
22 *The Director of the National Science Foundation shall es-*
23 *tablish requirements for proposals for funding under the*
24 *Program, for activities undertaken by SMaRT Partnerships*
25 *with such funding, and for reporting by SMaRT Partner-*

1 *ships and other persons participating in the Program, and*
2 *criteria for selecting proposals, including economic need.*

3 *(2) Each SMaRT Partnership receiving a grant*
4 *under the Program shall use such grant funds to*
5 *sponsor qualified engineering students to work as in-*
6 *terns with eligible small manufacturers, especially*
7 *very small manufacturers, by paying the host com-*
8 *pany the Federal share of the intern's wages, not to*
9 *exceed the Federal minimum wage.*

10 *(3) A small manufacturer shall be eligible to host*
11 *interns under the Program only for manufacturing*
12 *operations in the United States, shall provide ade-*
13 *quate supervision to each intern, and shall use funds*
14 *provided under the Program only to pay wages to the*
15 *intern that supplement the host company share of the*
16 *intern's wages, not be less than the Federal minimum*
17 *wage. No company shall be eligible to receive funding*
18 *in excess of 2 years' wages at the Federal minimum*
19 *wage.*

20 ***TITLE III—CRITICAL***

21 ***TECHNOLOGIES***

22 ***SEC. 301. DEVELOPMENT OF PLAN FOR THE ADVANCED***

23 ***TECHNOLOGY PROGRAM.***

24 *The Secretary, acting through the Under Secretary*
25 *and the Director, shall, within 6 months after the date of*

1 *enactment of this Act, submit to Congress a plan for the*
2 *expansion of the Advanced Technology Program established*
3 *under section 28 of the National Institute of Standards and*
4 *Technology Act (15 U.S.C. 278n), with specific consider-*
5 *ation given to—*

6 (1) *closer coordination and cooperation with the*
7 *Advanced Research Projects Agency and other Federal*
8 *research and development agencies as appropriate;*

9 (2) *establishment of temporary staff positions*
10 *that can be filled by industrial or technical experts*
11 *for a period of 1 to 2 years;*

12 (3) *ensuring that the Advanced Technology Pro-*
13 *gram will have a meaningful impact on the utiliza-*
14 *tion of a broad range of critical technologies and on*
15 *the refinement of advanced manufacturing tech-*
16 *nologies;*

17 (4) *changes that may be needed when annual*
18 *funds available for grants under the Advanced Tech-*
19 *nology Program reach levels of \$200,000,000 and*
20 *\$500,000,000; and*

21 (5) *any additional administrative steps that*
22 *may be necessary for the Advanced Technology Pro-*
23 *gram to support large-scale joint research and devel-*
24 *opment ventures.*

1 **SEC. 302. LARGE-SCALE RESEARCH AND DEVELOPMENT**
2 **CONSORTIA.**

3 *Section 28 of the National Institute of Standards and*
4 *Technology Act (15 U.S.C. 278n) is amended by adding at*
5 *the end the following new subsection:*

6 “(k) *In addition to the general authority under this*
7 *section to provide financial assistance to joint ventures, the*
8 *Secretary, through the Director, also may, as permitted by*
9 *levels of authorizations and appropriations, provide finan-*
10 *cial support for up to 7 years to large-scale joint ventures*
11 *requesting \$20,000,000 or more a year in Department of*
12 *Commerce funds. The Secretary may work with industrial*
13 *groups to develop such proposed large-scale joint ventures*
14 *and shall give preference to proposals which represent a*
15 *broad spectrum of companies for a given industry and*
16 *which focus either on speeding the commercialization of im-*
17 *portant new technologies or on accelerating the develop-*
18 *ment, testing, and deployment of valuable new process tech-*
19 *nologies and workplace practices. The Secretary and Direc-*
20 *tor, as appropriate, shall obtain independent technical re-*
21 *view of industry proposals submitted under this sub-*
22 *section.”.*

23 **SEC. 303. TECHNICAL AMENDMENTS.**

24 (a) *AMENDMENTS TO THE NATIONAL INSTITUTE OF*
25 *STANDARDS AND TECHNOLOGY ACT.*—*Section 28 of the Na-*
26 *tional Institute of Standards and Technology Act (15*

1 *U.S.C. 278n), as amended by section 302 of this Act, is*
2 *further amended—*

3 *(1) by adding at the end of subsection (a), the*
4 *following new sentence: “The Secretary, acting*
5 *through the Director, shall ensure that the principal*
6 *economic benefits of the Program accrue to the econ-*
7 *omy of the United States.”;*

8 *(2) in subsection (b)—*

9 *(A) in paragraph (1)(B), by striking “or*
10 *contracts” and inserting in lieu thereof “con-*
11 *tracts, and, subject to the last sentence of this*
12 *subsection, other transactions”;*

13 *(B) strike paragraph (1)(B)(ii) and replace*
14 *with: “participation in such joint ventures, if the*
15 *Secretary, acting through the Director, deter-*
16 *mines participation to be appropriate and if the*
17 *joint venture as a whole agrees to pay at least*
18 *half of the total costs of such joint ventures dur-*
19 *ing the participation period, which shall not ex-*
20 *tend beyond 5 years,”;*

21 *(C) in paragraph (2) by striking “and co-*
22 *operative agreements” and inserting in lieu*
23 *thereof “cooperative agreements, and, subject to*
24 *the last sentence of this subsection, other trans-*
25 *actions”; and*

1 (D) by adding after paragraph (4) the fol-
2 lowing: “The authority under paragraph (1)(B)
3 and paragraph (2) to enter into other trans-
4 actions shall apply only if the Secretary, acting
5 through the Director, determines that standard
6 contracts, grants, or cooperative agreements are
7 not feasible or appropriate, and only when other
8 transaction instruments incorporate terms and
9 conditions that reflect the use of generally accept-
10 ed commercial accounting and auditing prac-
11 tices.”;

12 (3) in subsection (d)(3), by striking
13 “\$2,000,000”; and inserting in lieu thereof
14 “\$3,000,000”.

15 (4) by adding at the end the following new
16 subsection: “(1) Notwithstanding subsections
17 (b)(1)(B)(ii) and (d)(3), the Director may grant
18 an extension beyond the deadlines established
19 under those subsections for joint venture and sin-
20 gle applicant awardees to expend Federal funds
21 to complete their projects, if such extension may
22 be granted with no additional cost to the Federal
23 Government.”.

24 (b) UNITED STATES JOINT VENTURES.—(1) Section
25 28(d)(11)(A) of the National Institute of Standards and

1 *Technology Act (15 U.S.C. 278n(d)(11)(A)) is amended by*
2 *striking the period at the end of the first sentence and in-*
3 *serting in lieu thereof the following: “or any other person*
4 *otherwise eligible to participate in an eligible joint venture,*
5 *as agreed by the parties, receiving funding under any par-*
6 *ticular award, notwithstanding the requirements of section*
7 *202 (a) and (b) of title 35, United States Code.”.*

8 *(2) The amendments made by sections 303 (a) and (b)*
9 *shall be effective only with respect to assistance for which*
10 *solicitations for proposals are made after the date of enact-*
11 *ment of this Act or October 1, 1994, whichever occurs later.*

12 *(c) AMENDMENTS TO THE AMERICAN TECHNOLOGY*
13 *PREEMINENCE ACT OF 1991.—(1) Section 201(d) of the*
14 *American Technology Preeminence Act of 1991 (15 U.S.C.*
15 *278n note) is amended by adding at the end the following*
16 *new sentence: “In the case of the amendment made by sub-*
17 *paragraph (A) of subsection (c)(6), such amendment shall*
18 *be effective as of the date of enactment of the paragraph*
19 *stricken by such subparagraph.”.*

20 *(2) Section 507 of the American Technology Pre-*
21 *eminence Act of 1991 (15 U.S.C. 3717) is repealed.*

22 *(d) AMENDMENTS TO THE NATIONAL SCIENCE AND*
23 *TECHNOLOGY POLICY, ORGANIZATION, AND PRIORITIES*
24 *ACT.—(1) Title IV of the National Science and Technology*

1 *Policy, Organization, and Priorities Act of 1976 (42 U.S.C.*
2 *6651) is amended to read as follows:*

3 ***“TITLE IV—NATIONAL SCIENCE***
4 ***AND TECHNOLOGY COUNCIL***

5 *“SEC. 401. There is established a National Science and*
6 *Technology Council (hereafter in this title referred to as the*
7 *‘Council’).*

8 *“SEC. 402. Within 30 days after the date of enactment*
9 *of the National Competitiveness Act of 1994, the President*
10 *shall submit to Congress a report that outlines the composi-*
11 *tion and functions of the Council.*

12 *“SEC. 403. (a) The Council shall assume the respon-*
13 *sibilities and authorities of the Federal Coordinating Coun-*
14 *cil for Science, Engineering, and Technology, the National*
15 *Space Council, and the National Critical Materials Coun-*
16 *cil.*

17 *“(b) Executive departments and agencies shall make*
18 *resources, including, but not limited to, personnel, office*
19 *support, and printing, available to the Council.*

20 *“(c) The Council is authorized to establish such com-*
21 *mittees and working groups as it may require.”.*

22 *(2) The Federal Coordinating Council for Science, En-*
23 *gineering, and Technology established by Public Law 94–*
24 *282 and by Executive Order 12039, the National Space*
25 *Council established by Public Law 100-685 and Executive*

1 *Order 12675, and the National Critical Materials Council*
2 *established by Public Law 98–373 are hereby abolished.*

3 *(3) Section 207(c) of the National Science and Tech-*
4 *nology Policy, Organization, and Priorities Act of 1976 (42*
5 *U.S.C. 6616(c)) is amended—*

6 *(A) by amending paragraph (1) to read as fol-*
7 *lows:*

8 *“(1) appoint such officers and employees as deemed*
9 *necessary to perform the functions now or hereafter vested*
10 *in the Director without regard to any provision of law regu-*
11 *lating the employment or compensation of persons in the*
12 *Government service, at rates not to exceed the rate of pay*
13 *for level VI of the Senior Executive schedule as provided*
14 *pursuant to section 5382 of title 5, the United States Code,*
15 *and to prescribe their duties;”; and*

16 *(B) by striking “and” at the end of paragraph*
17 *(2); by striking the period at the end of paragraph (3)*
18 *and inserting in lieu thereof “; and”; and by adding*
19 *at the end the following new paragraph:*

20 *“(4) accept voluntary and uncompensated services,*
21 *notwithstanding the provisions of section 1342, title 31,*
22 *United States Code.”.*

1 **SEC. 304. TECHNOLOGY MONITORING AND COMPETITIVE-**
2 **NESS ASSESSMENT.**

3 *Section 101 of the Stevenson-Wydler Technology Inno-*
4 *vation Act of 1980, as redesignated by section 213(2) of this*
5 *Act, is amended by striking subsection (e) and inserting in*
6 *lieu thereof the following new subsections:*

7 “(e) OFFICE OF TECHNOLOGY MONITORING AND COM-
8 PETITIVENESS ASSESSMENT.—(1) *The Secretary, through*
9 *the Under Secretary, shall establish within the Technology*
10 *Administration an Office of Technology Monitoring and*
11 *Competitiveness Assessment, to collect, evaluate, assess, and*
12 *disseminate to United States industry, State and local gov-*
13 *ernments, nonprofit organizations, and other interested*
14 *parties information on—*

15 “(A) *foreign science and technology, specifically*
16 *information assessing foreign capabilities relative to*
17 *the United States;*

18 “(B) *policies and programs used by foreign gov-*
19 *ernments and industries to develop and apply eco-*
20 *nomically important critical technologies, how these*
21 *policies and programs compare with public and pri-*
22 *vate activities in the United States, and the effects*
23 *that these foreign policies and programs have on the*
24 *competitiveness of United States industry; and*

25 “(C) *the way in which the economic competitive-*
26 *ness of United States industry can be enhanced*

1 *through Federal programs, including Department of*
2 *Commerce programs, and evaluations of the effective-*
3 *ness of Federal technology programs in helping to*
4 *promote United States industrial competitiveness and*
5 *economic growth.*

6 “(2) *Based on the information gathered under para-*
7 *graph (1), the President, with the assistance of the Sec-*
8 *retary, shall submit to Congress an annual report on Unit-*
9 *ed States technology and competitiveness analyzing the con-*
10 *dition of United States technology relative to major trading*
11 *partners, key trends in foreign technology and competitive-*
12 *ness policies and targeting, and the degree to which Federal*
13 *programs are helping the United States to stay competitive*
14 *with other countries and create domestic employment op-*
15 *portunities.*

16 “(3) *The Office of Technology Monitoring and Com-*
17 *petitiveness Assessment is authorized to—*

18 “(A) *act as a focal point within the Federal Gov-*
19 *ernment for the collection and dissemination, includ-*
20 *ing electronic dissemination, of information on for-*
21 *ign process and product technologies, including in-*
22 *formation collected under the Japanese Technical Lit-*
23 *erature Program;*

24 “(B) *work and, as appropriate, enter into coop-*
25 *erative arrangements with sector-specific industry*

1 *trade associations or consortia to define the informa-*
2 *tion desired by industry;*

3 “(C) compile and make available the extensive
4 *foreign technology monitoring and assessment infor-*
5 *mation already collected and analyzed by the Federal*
6 *Government;*

7 “(D) as appropriate, enter into controlled access
8 *agreements with other Federal agencies to fill the in-*
9 *dustry’s information needs;*

10 “(E) act as an electronic clearinghouse for such
11 *information or otherwise provide for such a clearing-*
12 *house;*

13 “(F) direct and fund the collection of additional
14 *related information;*

15 “(G) direct and fund analysis of foreign research
16 *and development activities, technical capabilities,*
17 *workplace practices, particularly in technical areas*
18 *where the United States is considered to be at par or*
19 *lagging foreign capabilities;*

20 “(H) establish a program to identify technical
21 *areas needing a full-scale technical evaluation, and*
22 *provide, on a cost-shared basis to private sector or*
23 *government-industry joint ventures, grants to conduct*
24 *the evaluation; and*

1 “(I) work with the Department of State to place
2 technical experts from the Institute and other Federal
3 laboratories into United States embassies to serve as
4 technology attaches and counselors.

5 “(f) FELLOWSHIP PROGRAM.—(1) The Secretary, act-
6 ing through the Under Secretary, shall establish and ad-
7 minister a fellowship program to support Technology Fel-
8 lows to assist the Under Secretary in carrying out activities
9 under subsection (e) relating to those countries that are
10 major competitors of the United States in critical tech-
11 nologies, and to identify opportunities for technology trans-
12 fer to the United States or technological collaboration for
13 United States industries.

14 “(2) Technology Fellows shall—

15 “(A) regularly report to the Department of Com-
16 merce on work planned, in progress, and accom-
17 plished; and

18 “(B) provide support to the Department of Com-
19 merce as requested by that Department.

20 “(3) Fellowships awarded under the program estab-
21 lished under this subsection shall—

22 “(A) be awarded for a period of 2 years;

23 “(B) be reasonable and appropriate; and

24 “(C) include provisions for living and office ar-
25 rangements in the host country.

1 “(4) Only individuals who—

2 “(A) have at least a bachelors degree in engineer-
3 ing or science; and

4 “(B) have at least 5 years of work experience in
5 manufacturing or technology development,

6 shall be eligible for a fellowship under this program.”.

7 **SEC. 305. RECOUPMENT.**

8 Section 28 of the National Institute of Standards and
9 Technology Act (15 U.S.C. 278n), as amended by this Act,
10 is further amended by adding at the end the following new
11 subsection:

12 “(n)(1) Any transaction providing assistance under
13 this section may include a clause that requires the recipient
14 to make payments to the Department of Commerce as a con-
15 dition of receiving such assistance.

16 “(2) There is established on the books of the Treasury
17 a separate account for the Advanced Technology Program
18 established under this section. Amounts received by the
19 United States pursuant to a requirement imposed under
20 paragraph (1) may be credited to the extent authorized by
21 the Secretary, to the account established under this para-
22 graph. Amounts so credited shall be merged with other funds
23 in the account and shall be available, to the extent provided
24 in advance in appropriations Acts, for the same purposes

1 *and the same period for which other funds in such account*
2 *are available.”.*

3 ***SEC. 306. TECHNOLOGY FINANCING PILOT PROGRAM.***

4 *The Stevenson-Wydler Technology Innovation Act of*
5 *1980 (15 U.S.C. 3701 et seq.), as amended by title II of*
6 *this Act, is further amended by adding at the end the follow-*
7 *ing new title:*

8 ***“TITLE III—ADDITIONAL***
9 ***ASSISTANCE TO INDUSTRY***

10 ***“SEC. 301. FINDINGS AND STATEMENT OF POLICY.***

11 *“Congress finds and declares the following:*

12 *“(1) In recent years, United States technology*
13 *firms appear to have had increasing difficulty financ-*
14 *ing the development and early-stage commercializa-*
15 *tion of important new critical civilian technologies.*
16 *Venture capital is less available than in past years;*
17 *banks appear less willing to provide loans; and me-*
18 *dium-sized as well as small companies often have*
19 *problems financing promising long-term technology*
20 *projects.*

21 *“(2) This difficulty in obtaining financing par-*
22 *ticularly hurts those technology firms which face for-*
23 *ign competitors which have received substantial di-*
24 *rect or indirect financial help from their respective*
25 *governments.*

1 “(3) The Nation would benefit from a technology
2 financing pilot program designed to assist, on an ex-
3 perimental basis, private-sector venture capital enti-
4 ties which, in turn, can select and support the most
5 promising and valuable long-term United States tech-
6 nology projects.

7 **“SEC. 302. TECHNOLOGY FINANCING PILOT PROGRAM.**

8 “(a) *ESTABLISHMENT OF PROGRAM.*—(1) There is es-
9 tablished a Department of Commerce-Small Business Ad-
10 ministration Pilot Technology Financing Partnership Pro-
11 gram (in this section referred to as the ‘Pilot Program’).

12 “(2) The Pilot Program shall be operated under the
13 direction of a Department of Commerce-Small Business Ad-
14 ministration Venture Capital Licensing Committee (in this
15 section referred to as the ‘Licensing Committee’), which
16 shall consist of—

17 “(A) three Department of Commerce designees
18 appointed by the Secretary, one of whom shall be the
19 Under Secretary for Technology and shall serve as
20 chair of the Licensing Committee, and the other two
21 of whom shall be technology experts, at least one of
22 whom shall also be a finance and investment expert;
23 and

24 “(B) two Small Business Administration des-
25 ignees who are appointed by the Administrator of the

1 *Small Business Administration (in this section re-*
2 *ferred to as the ‘Administrator’) who shall be finance*
3 *and investment experts.*

4 “(3) Under the Pilot Program, for the purpose of stim-
5 *ulating and expanding the flow of private capital to eligible*
6 *technology firms and eligible joint ventures—*

7 “(A) the Licensing Committee may license, pur-
8 *suant to joint regulations promulgated under para-*
9 *graph (4), private-sector entities, to be known as ‘ci-*
10 *vilian technology investment companies’; and*

11 “(B) to the extent directed by the Secretary and
12 *the Administrator and provided in advance in appro-*
13 *priations Acts, and in accordance with the operating*
14 *plan developed under subsection (f), the Licensing*
15 *Committee may authorize the Small Business Admin-*
16 *istration to assist financially such civilian technology*
17 *investment companies.*

18 “(4) The Secretary and the Administrator, acting
19 *through the Licensing Committee, shall promulgate such*
20 *regulations (in this section referred to as the ‘joint regula-*
21 *tions’) as shall be necessary to carry out the Pilot Program.*
22 *Such joint regulations shall reflect that the Administrator*
23 *will have primary responsibility for executing the Pilot*
24 *Program, using Small Business Administration personnel*
25 *and the programmatic authority provided in this section,*

1 *and applicable law. In accordance with the operating plan*
2 *developed by the Licensing Committee under subsection (f),*
3 *the Administrator may issue regulations modifying and*
4 *augmenting existing Small Business Administration au-*
5 *thority or program criteria, as necessary, to accommodate*
6 *the special needs of the Pilot Program. Those Small Busi-*
7 *ness Administration regulations which are modified or*
8 *adopted to facilitate the Pilot Program shall also be re-*
9 *viewed by the Licensing Committee and, if approved by the*
10 *Licensing Committee, shall become part of the joint regula-*
11 *tions.*

12 “(5) *The Secretary shall, utilizing Department of*
13 *Commerce technology personnel and the programmatic au-*
14 *thority provided in this section and under applicable law,*
15 *institute and implement a complementary information and*
16 *technical assistance pilot program designed to facilitate*
17 *matches between high-technology companies seeking financ-*
18 *ing and venture capitalists looking for meritorious early-*
19 *stage critical technology investments.*

20 “(6) *Such funds as may be appropriated through this*
21 *Act or any other Act to the Department of Commerce to*
22 *implement the Pilot Program may be transferred by the*
23 *Secretary to the Small Business Administration, as nec-*
24 *essary to carry out the purposes of this section, in accord-*
25 *ance with subsection (c)(1).*

1 “(b) *ACTIVITIES OF LICENSEES.*—(1) *Each civilian*
2 *technology investment company licensed under this section*
3 *may provide venture capital and loans to eligible technology*
4 *firms and eligible joint ventures in such manner and under*
5 *such terms as the licensee may fix in accordance with the*
6 *joint regulations. Civilian technology investment companies*
7 *may provide venture capital and loans directly or in*
8 *coinvestments with other investors. The type of financing*
9 *to be provided shall be determined by the Licensing Com-*
10 *mittee, and shall include but shall not be limited to that*
11 *provided by the Small Business Act or the Small Business*
12 *Investment Act of 1958, or any regulation promulgated*
13 *thereunder.*

14 “(2) *Each civilian technology investment company*
15 *shall have authority to borrow money and to issue its deben-*
16 *tures, promissory notes, securities, or other obligations*
17 *under such general conditions and subject to such limita-*
18 *tions and regulations as prescribed in the joint regulations.*

19 “(c) *ASSISTANCE TO LICENSEES.*—(1) *In order to en-*
20 *courage the formation and growth of civilian technology in-*
21 *vestment companies, the Licensing Committee is authorized,*
22 *to the extent that funds are made available to the Depart-*
23 *ment of Commerce in appropriations Acts, to transfer such*
24 *funds as may be necessary to the Small Business Adminis-*
25 *tration to purchase (or guarantee the timely payment of*

1 *all principal, interest, and dividends, as scheduled, on) de-*
2 *bentures or participating, nonvoting preferred securities is-*
3 *sued by such companies, on such terms and conditions as*
4 *are appropriate pursuant to the joint regulations to carry*
5 *out the purposes of this section. The Small Business Admin-*
6 *istration is also authorized, in accordance with sections 321*
7 *and 322 of the Small Business Investment Act of 1958, and*
8 *regulations promulgated thereunder, to issue and guarantee*
9 *such trust certificates as are necessary and appropriate to*
10 *provide funding for qualified civilian technology investment*
11 *companies. Such issuance and funding shall take place in*
12 *the manner and on the terms and conditions as the Licens-*
13 *ing Committee directs and shall not be limited to the terms*
14 *and conditions that the Small Business Administration uti-*
15 *lizes for funding of small business investment companies*
16 *under the Small Business Investment Act of 1958.*

17 “(2) *Guarantees and purchases of debentures and eq-*
18 *uity securities under this subsection shall be made on such*
19 *terms and conditions as are necessary to ensure that the*
20 *cost of the program established under this section shall not*
21 *exceed 15 percent of its corresponding credit authority in*
22 *any fiscal year. For the purposes of this subsection, the term*
23 *‘cost’ shall have the same meaning given such term in sec-*
24 *tion 502(5) of the Federal Credit Reform Act of 1990, and*
25 *the term ‘credit authority’ shall have the same meaning*

1 *given such term in section 3(10) of the Congressional Budg-*
2 *et Act of 1974.*

3 “(d) *PURPOSES AND REQUIREMENTS.—The Licensing*
4 *Committee shall require that any civilian technology invest-*
5 *ment company licensed and assisted under this section*
6 *shall—*

7 “(1) *focus primarily on providing patient early-*
8 *stage capital, either loans or equity investments, to el-*
9 *igible technology firms and eligible joint ventures in*
10 *the United States in order to help those firms and*
11 *joint ventures finance and accelerate the development*
12 *and early-stage commercialization of critical civilian*
13 *technologies;*

14 “(2) *provide financial assistance to critical civil-*
15 *ian technology projects at eligible technology firms*
16 *and eligible joint ventures: Provided, however, That*
17 *the Department of Commerce members of the Licens-*
18 *ing Committee shall determine whether the products,*
19 *processes, and services provided by firms assisted by*
20 *a licensee in fact will assist in developing United*
21 *States critical technologies;*

22 “(3) *demonstrate to the Licensing Committee*
23 *credible procedures for ensuring that investments are*
24 *made in critical technology projects for which eligible*

1 *technology firms cannot obtain necessary financing*
2 *solely through commercial capital markets; and*

3 *“(4) work with the Licensing Committee to es-*
4 *tablish methods to identify and evaluate projects to be*
5 *assisted by the licensee, using, as appropriate, the ex-*
6 *isting expertise of the National Institute of Standards*
7 *and Technology, and other organizations, including*
8 *Regional Centers for the Transfer of Manufacturing*
9 *Technology, universities, and other research institu-*
10 *tions.*

11 *“(e) PAYMENTS.—All amounts received by the Small*
12 *Business Administration from the payment of dividends,*
13 *any profit allocation, the redemption of securities pursuant*
14 *to this section, and any fees paid to the United States by*
15 *a civilian technology investment company licensed pursu-*
16 *ant to this section, shall be deposited in the Treasury, in*
17 *accordance with the joint regulations and the requirements*
18 *of the Federal Credit Reform Act of 1990.*

19 *“(f) OPERATING PLAN; EFFECTIVE DATE; AND EVAL-*
20 *UATION.—(1) The Secretary and the Administrator, acting*
21 *through the Licensing Committee, shall jointly and in con-*
22 *sultation with State and local governments, industry, and*
23 *the financial community, prepare and submit to Congress*
24 *within one year after the date of enactment of this title,*
25 *an operating plan and draft joint regulations to carry out*

1 *this section. In preparing such a plan, the Secretary and*
2 *Administrator shall consider and evaluate alternative ap-*
3 *proaches to help technology firms and joint ventures in the*
4 *United States develop and commercialize critical civilian*
5 *technologies. As part of their report, they shall make rec-*
6 *ommendations to Congress as they deem appropriate.*

7 “(2) Except for the requirements set forth in subsection
8 (a) and paragraph (1) of this subsection, the provisions of
9 this section shall not take effect until 6 months after the
10 date of the issuance of the report required in paragraph
11 (1).

12 “(3) After appropriations are provided for the Pilot
13 Program authorized under this section, the Licensing Com-
14 mittee, in consultation with industry and the financial
15 community, shall evaluate annually the effectiveness of the
16 Program and submit an annual report to appropriate com-
17 mittees of Congress on the findings resulting from such eval-
18 uation. Such report shall contain, on a confidential basis,
19 appendices which include, but are not necessarily limited
20 to, the type and amount of assistance provided to licensees
21 under this section, key characteristics of such licensees, the
22 number and size in net worth of the technology firms and
23 joint ventures (and the participants comprising them) as-
24 sisted by each licensee, the amount of assistance provided
25 to each eligible technology firm or eligible joint venture, and

1 *the types of technology each eligible technology firm or joint*
2 *venture is developing and commercializing. Such report*
3 *also shall contain an analysis of the Pilot Program's im-*
4 *pact on the Small Business Administration's Small Busi-*
5 *ness Investment Company program.*

6 “(4) Five years after appropriations have been pro-
7 vided for the Pilot Program authorized under this section,
8 the General Accounting Office, in consultation with indus-
9 try and the financial community, shall evaluate the effec-
10 tiveness of the Program and submit a report to appropriate
11 committees of Congress on the findings resulting from such
12 evaluation. Such evaluation shall include an analysis of the
13 Pilot Program's impact on the Small Business Administra-
14 tion's Small Business Investment Company program.

15 “(g) *DEFINITIONS.*—As used in this section, the
16 term—

17 “(1) ‘appropriate committees of Congress’ means
18 the Committee on Science, Technology, and Space and
19 Committee on Small Business of the House of Rep-
20 resentatives and the Committee on Commerce,
21 Science, and Transportation and Committee on
22 Small Business of the Senate;

23 “(2) ‘critical civilian technology’ means a tech-
24 nology not exclusively military which is identified in
25 one or more of the biennial national critical tech-

1 *nologies reports required under section 603 of the Na-*
2 *tional Science and Technology Policy, Organization,*
3 *and Priorities Act of 1976 (42 U.S.C. 6683);*

4 *“(3) ‘eligible joint venture’ means a joint re-*
5 *search and development venture or joint production*
6 *venture, as defined in section 2 of the National Coop-*
7 *erative Research Act of 1984 (5 U.S.C. 4301)—*

8 *“(A) which meets the requirements of sec-*
9 *tion 28(d)(9) of the National Institute of Stand-*
10 *ards and Technology Act (15 U.S.C. 278n(d)(9));*

11 *“(B) whose purpose in seeking financing is*
12 *the development of products, processes, and serv-*
13 *ices based on critical civilian technologies; and*

14 *“(C) which meets size standards set by the*
15 *Licensing Committee, which size standards need*
16 *not comply with the Small Business Act or the*
17 *Small Business Investment Act of 1958, or any*
18 *regulation promulgated thereunder or interpreta-*
19 *tion thereof;*

20 *“(4) ‘eligible technology firm’ means a com-*
21 *pany—*

22 *“(A) which meets the requirements of sec-*
23 *tion 28(d)(9) of the National Institute of Stand-*
24 *ards and Technology Act (15 U.S.C. 278n(d)(9));*

1 “(B) whose purpose in seeking financing is
2 the development of products, processes, and serv-
3 ices based on critical civilian technologies; and

4 “(C) which meets size standards set by the
5 Administrator;

6 “(4) ‘finance and investment expert’ means an
7 individual who has administered or participated in a
8 venture capital or similar financing program, or has
9 operated a venture capital company; and

10 “(5) ‘licensee’ means a civilian technology invest-
11 ment company licensed by the Licensing Committee
12 pursuant to this section.”.

13 **SEC. 307. REPORTS ON FOREIGN INDUSTRIAL ESPIONAGE.**

14 (a) *IN GENERAL.*—(1) In order to assist Congress in
15 its oversight functions with respect to this Act and to im-
16 prove the awareness of United States industry of foreign
17 industrial espionage and the ability of such industry to pro-
18 tect against such espionage, the President shall submit to
19 Congress a report that describes, as of the time of the report,
20 the following:

21 (A) The respective policy functions and oper-
22 ational roles of the agencies of the executive branch of
23 the Federal Government in identifying and counter-
24 ing threats to United States industry of foreign in-

1 *dustrial espionage, including the manner in which*
2 *such functions and roles are coordinated.*

3 *(B) The means by which the Federal Government*
4 *communicates information on such threats, and on*
5 *methods to protect against such threats, to United*
6 *States industry in general and to United States com-*
7 *panies known to be targets of foreign industrial espio-*
8 *nage.*

9 *(C) The specific measures that are being or could*
10 *be undertaken in order to improve the activities re-*
11 *ferred to in subparagraphs (A) and (B), including*
12 *proposals for any modifications of law necessary to*
13 *facilitate the undertaking of such activities.*

14 *(D) The threat to United States industry of for-*
15 *ign industrial espionage and any trends in that*
16 *threat, including—*

17 *(i) the number and identity of the foreign*
18 *governments conducting foreign industrial espio-*
19 *nage;*

20 *(ii) the industrial sectors and types of infor-*
21 *mation and technology targeted by such espio-*
22 *nage; and*

23 *(iii) the methods used to conduct such espio-*
24 *nage.*

1 (2) *The President shall submit the report required*
2 *under this subsection not later than 6 months after the date*
3 *of the enactment of this Act.*

4 (b) *ANNUAL UPDATE.*—*Not later than 1 year after the*
5 *date referred to in paragraph (2) of subsection (a), and on*
6 *the expiration of each year thereafter, the President shall*
7 *submit to Congress a report updating the information re-*
8 *ferred to in paragraph (1)(D) of that subsection.*

9 (c) *FORM OF REPORTS.*—*To the maximum extent*
10 *practicable, the reports referred to in subsections (a) and*
11 *(b) shall be submitted in an unclassified form, but may be*
12 *accompanied by a classified appendix.*

13 (d) *REPORT UNDER DEFENSE PRODUCTION ACT.*—
14 *Section 721(k)(1)(B) of the Defense Production Act of 1950*
15 *(50 U.S.C. App. 2170(k)(1)(B)) is amended by inserting*
16 *“or directly assisted” after “directed”.*

17 (e) *DEFINITION.*—*For the purposes of this section,*
18 *“foreign industrial espionage” means industrial espionage*
19 *conducted by a foreign government or by a foreign company*
20 *with direct assistance of a foreign government against a*
21 *private United States company and aimed at obtaining*
22 *commercial secrets.*

1 **TITLE IV—ADDITIONAL COM-**
 2 **MERCE DEPARTMENT PROVI-**
 3 **SIONS**

4 **SEC. 401. DEPARTMENT OF COMMERCE TECHNOLOGY ADVI-**
 5 **SORY BOARD.**

6 *The Stevenson-Wydler Technology Innovation Act of*
 7 *1980 (as amended by sections 211 and 213 of this Act) is*
 8 *further amended by inserting after section 103 (as added*
 9 *by section 211 of this Act) the following new section:*

10 **“SEC. 104. DEPARTMENT OF COMMERCE TECHNOLOGY AD-**
 11 **VISORY BOARD.**

12 *“(a) ESTABLISHMENT.—There is established a Depart-*
 13 *ment of Commerce Technology Advisory Board (in this sec-*
 14 *tion referred to as the ‘Advisory Board’), the purpose of*
 15 *which is to advise the Secretary, Under Secretary, and Di-*
 16 *rector on the plans, programs, and policies of the Tech-*
 17 *nology Administration, including ways in which to—*

18 *“(1) promote the development and rapid appli-*
 19 *cation of advanced commercial technologies, including*
 20 *advanced manufacturing technologies such as skill-*
 21 *based production technologies;*

22 *“(2) strengthen the programs of the Technology*
 23 *Administration; and*

24 *“(3) generally improve the global competitiveness*
 25 *of industries within the United States.*

1 “(b) *COMPOSITION.*—The Advisory Board shall be
2 composed of at least 17 members, appointed by the Under
3 Secretary from among individuals who, because of their ex-
4 perience and accomplishments in technology development,
5 business development, or finance are exceptionally qualified
6 to analyze and formulate policy that would improve the
7 global competitiveness of industries in the United States.
8 The Under Secretary shall designate one member to serve
9 as chairman. Membership of the Advisory Board shall be
10 composed of—

11 “(1) representatives of—

12 “(A) United States small businesses;

13 “(B) United States manufacturers;

14 “(C) research universities and independent
15 research institutes;

16 “(D) State and local government agencies
17 involved in industrial extension;

18 “(E) national laboratories;

19 “(F) industrial, worker, and technical and
20 professional organizations; and

21 “(G) financial organizations; and

22 “(2) other individuals that possess important in-
23 sight to issues of national competitiveness.

24 The Under Secretary shall make an effort to ensure the ap-
25 pointment of socially and economically disadvantaged indi-

1 *viduals (within the meaning of section 8(a) (5) and (6) of*
2 *the Small Business Act, and including women) to the Advi-*
3 *sory Board.*

4 “(c) *MEETINGS.*—(1) *The chairman shall call the first*
5 *meeting of the Advisory Board not later than 90 days after*
6 *the date of enactment of this section.*

7 “(2) *The Advisory Board shall meet at least once every*
8 *6 months, and at the call of the Under Secretary.*

9 “(d) *TRAVEL EXPENSES.*—*Members of the Advisory*
10 *Board, other than full-time employees of the United States,*
11 *shall be allowed travel expenses in accordance with sub-*
12 *chapter I of chapter 57 of title 5, United States Code, while*
13 *engaged in the business of the Advisory Board.*

14 “(e) *CONSULTATION.*—*In carrying out this section, the*
15 *Under Secretary shall consult with other agencies, as ap-*
16 *propriate. The Advisory Board, as appropriate, shall estab-*
17 *lish communication and coordination mechanisms with*
18 *other Federal advisory committees to help ensure integrated*
19 *Federal-private consideration of technology and manufac-*
20 *turing policies and programs.*

21 “(f) *TERMINATION.*—*Section 14 of the Federal Advi-*
22 *sory Committee Act shall not apply to the Advisory Board.*

23 “(g) *SECRETARIAL DISCRETION.*—*Notwithstanding*
24 *any other provision of this section, the Secretary shall have*
25 *the discretion to decide whether to establish the Advisory*

1 *Board or create a more cost-effective way to achieve the goal*
 2 *of closer cooperation with industry. If the Secretary exer-*
 3 *cises such discretion and establishes an alternative mecha-*
 4 *nism, the Under Secretary shall make an effort to ensure*
 5 *the participation of socially and economically disadvan-*
 6 *tagged individuals (within the meaning of section 8(a) (5)*
 7 *and (6) of the Small Business Act, and including women)*
 8 *in the alternative mechanism.”.*

9 **SEC. 402. INTERNATIONAL STANDARDIZATION.**

10 (a) *FINDINGS.—The Congress finds that—*

11 (1) *private sector consensus standards are essen-*
 12 *tial to the timely development of competitive products;*

13 (2) *Federal Government contribution of resources*
 14 *and more active participation in the voluntary stand-*
 15 *ards process in the United States can increase the*
 16 *quality of United States standards, increase their*
 17 *compatibility with the standards of other countries,*
 18 *and ease access of products manufactured by United*
 19 *States manufacturers to foreign markets; and*

20 (3) *the Federal Government, working in coopera-*
 21 *tion with private sector organizations including trade*
 22 *associations, engineering societies, technical organiza-*
 23 *tions, and other standards-setting bodies can effec-*
 24 *tively promote Federal Government use of United*
 25 *States consensus standards and, where appropriate,*

1 *the adoption and Federal Government use of inter-*
2 *national standards.*

3 *(b) STANDARDS PILOT PROGRAM.—Section 104(e) of*
4 *the American Technology Preeminence Act of 1991 (Public*
5 *Law 102–245; 106 Stat. 10) is amended—*

6 *(1) by inserting “(1)” before “Pursuant to the”;*

7 *(2) by striking “matching funds” and inserting*
8 *in lieu thereof “financial contributions deemed appro-*
9 *priate by the Secretary”; and*

10 *(3) by adding at the end the following new para-*
11 *graph:*

12 *“(2) As necessary and appropriate, the Institute shall*
13 *expand the program established under section 112 of the*
14 *National Institute of Standards and Technology Authoriza-*
15 *tion Act for Fiscal Year 1989 (15 U.S.C. 272 note) by ex-*
16 *tending the existing program to include other countries that*
17 *request assistance with standards-related activities from of-*
18 *ficial representatives of the United States Government. The*
19 *Institute may enter into additional contracts with non-Fed-*
20 *eral organizations representing United States companies*
21 *described in section 28(d)(9)(B) of the National Institute*
22 *of Standards and Technology Act (15 U.S.C.*
23 *278n(d)(9)(B)) or with United States-based professional so-*
24 *cieties and other standards-setting bodies that participate*
25 *in the development of standards. Such contracts shall re-*

1 *quire cost sharing between Federal and non-Federal sources*
2 *for such purposes. In awarding such contracts, the Institute*
3 *shall seek to promote and support the dissemination of*
4 *United States technical standards to additional foreign*
5 *countries and shall seek, as the Director deems appropriate,*
6 *to promote the adoption of international standards sup-*
7 *ported by United States industry, and shall seek to assist*
8 *private sector developers of standards, including engineer-*
9 *ing societies which participate in the development of stand-*
10 *ards in expediting the development of domestic and other*
11 *standards which enable the introduction of technologies,*
12 *products, or technology-based services which are being de-*
13 *layed due to the lack of available standards. The Institute*
14 *and such contractors shall, in carrying out the preceding*
15 *sentence, cooperate with governmental bodies, private orga-*
16 *nizations (including standards setting organizations and*
17 *industry), and multinational institutions that promote eco-*
18 *nomie development. The organizations receiving such con-*
19 *tracts may establish training programs to bring to the*
20 *United States foreign standards experts for the purpose of*
21 *receiving in-depth training in the United States standards*
22 *system.”.*

23 *(c) REPORT ON GLOBAL STANDARDS.—(1) Section*
24 *508(a) of the American Technology Preeminence Act of*
25 *1991 (15 U.S.C. 3701 note) is amended—*

1 (A) by inserting “standards development and
2 international” after “a thorough review of inter-
3 national”;

4 (B) by redesignating paragraphs (1) through (5)
5 as paragraphs (2) through (6), respectively; and

6 (C) by inserting before paragraph (2), as so re-
7 designated, the following new paragraph:

8 “(1) Current and potential future roles of the Federal
9 Government in the development and promulgation of do-
10 mestic and global product and process standards.”.

11 (2) The Secretary, in consultation with the Institute
12 and the Department of Commerce Technology Advisory
13 Board established under section 104 of the Stevenson-
14 Wydler Technology Innovation Act of 1980 (as added by
15 section 401 of this Act) and with, as appropriate, the active
16 participation of the private sector, shall submit to the Con-
17 gress a report describing the appropriate roles of the De-
18 partment of Commerce in aid to United States companies
19 in achieving conformity assessment and accreditation and
20 otherwise qualifying their products in foreign markets,
21 through the development and promulgation of domestic and
22 global product and quality standards, and through Depart-
23 ment of Commerce programs related to conformity assess-
24 ment and accreditation procedures based upon such stand-
25 ards, including a discussion of the extent to which each of

1 *the policy options provided in the March 1992 Office of*
 2 *Technology Assessment report on global standards, contrib-*
 3 *utes to meeting the goals of—*

4 *(A) increasing the international adoption of*
 5 *standards beneficial to United States industries; and*

6 *(B) improving the coordination of United States*
 7 *representation at international standards setting bod-*
 8 *ies.*

9 **SEC. 403. MALCOLM BALDRIGE AWARD AMENDMENTS.**

10 *(a) RESTRICTIONS.—Section 111(c)(3) of the Steven-*
 11 *son-Wydler Technology Innovation Act of 1980, as so redes-*
 12 *ignated by section 213(5) of this Act, is amended to read*
 13 *as follows:*

14 *“(3) No award shall be made within any category or*
 15 *subcategory if there are no qualifying enterprises in that*
 16 *category or subcategory.”.*

17 *(b) CATEGORIES IN WHICH AWARD MAY BE GIVEN.—*
 18 *(1) Section 111(c)(1) of the Stevenson-Wydler Technology*
 19 *Innovation Act of 1980, as so redesignated by section 213(5)*
 20 *of this Act, is amended by adding at the end the following*
 21 *new subparagraph:*

22 *“(D) Educational institutions.”.*

23 *(2)(A) Within 2 years after the date of enactment of*
 24 *this Act, the Secretary shall submit to Congress a report*
 25 *containing—*

1 (i) criteria for qualification for a Malcolm
2 Baldrige National Quality Award by various classes
3 of educational institutions;

4 (ii) criteria for the evaluation of applications for
5 such awards under section 111(d)(1) of the Stevenson-
6 Wydler Technology Innovation Act of 1980, as so re-
7 designated by section 213(5) of this Act; and

8 (iii) a plan for funding awards described in
9 clause (i).

10 (B) In preparing the report required under subpara-
11 graph (A), the Secretary shall consult with the National
12 Science Foundation and other public and private entities
13 with appropriate expertise, and shall provide for public no-
14 tice and comment.

15 (C) The Secretary shall not accept applications for
16 awards described in subparagraph (A)(i) until after the re-
17 port required under subparagraph (A) is submitted to Con-
18 gress.

19 **SEC. 404. COOPERATIVE RESEARCH AND DEVELOPMENT**
20 **AGREEMENTS.**

21 Section 202(d)(2)(A) of the Stevenson-Wydler Tech-
22 nology Innovation Act of 1980, as so redesignated by section
23 213(7) of this Act, by inserting “including Federal test and
24 evaluation facilities,” after “by a Federal agency,”.

1 **SEC. 405. PROGRAM EVALUATIONS.**

2 *Section 101 of the Stevenson-Wydler Technology Inno-*
3 *vation Act of 1980, as so redesignated by section 213(2)*
4 *of this Act and as amended by this Act, is further amended*
5 *by adding at the end the following new subsection:*

6 “(g) *PROGRAM EVALUATIONS.—(1) The Secretary,*
7 *through the Under Secretary, shall—*

8 “(A) *provide for the conduct of research and*
9 *analyses to advance knowledge of the ways in which*
10 *the economic competitiveness of United States compa-*
11 *nies can be enhanced through Federal programs estab-*
12 *lished under the National Competitiveness Act of 1994*
13 *or the amendments made by that Act; and*

14 “(B) *as appropriate, provide for evaluations of*
15 *Federal technology programs established or expanded*
16 *under the National Competitiveness Act of 1994 or the*
17 *amendments made by that Act in order to judge their*
18 *effectiveness and make recommendations to improve*
19 *their contribution to United States competitiveness.*

20 “(2) *All executive departments and agencies shall as-*
21 *sist the Secretary in carrying out this subsection as appro-*
22 *priate.*

23 “(3) *Nothing in this subsection shall authorize the re-*
24 *lease of information to, or the use of information by, the*
25 *Secretary or Under Secretary in a manner inconsistent*
26 *with law or any procedure established pursuant thereto.*

1 “(4) The head of any Federal agency may detail such
2 personnel and may provide such services, with or without
3 reimbursement, as the Secretary may request to assist in
4 carrying out the activities required under this subsection.”.

5 **SEC. 406. STUDY OF SEMICONDUCTOR LITHOGRAPHY TECH-**
6 **NOLOGIES.**

7 Within 9 months after the date of enactment of this
8 Act, the Critical Technologies Institute established under
9 section 822 of the National Defense Authorization Act for
10 Fiscal Year 1991 (42 U.S.C. 6686) shall, after consultation
11 with the private sector and appropriate officials from other
12 Federal agencies, submit to Congress a report on advanced
13 lithography technologies for the production of semiconductor
14 devices. The report shall include the Critical Technologies
15 Institute’s evaluation of the likely technical and economic
16 advantages and disadvantages of each such technology, an
17 analysis of current private and Government research to de-
18 velop each such technology, and any recommendations the
19 Critical Technologies Institute may have regarding future
20 Federal support for research and development in advanced
21 lithography.

22 **SEC. 407. CLEARINGHOUSE ON STATE AND LOCAL INITIA-**
23 **TIVES.**

24 Section 105(a) of the Stevenson-Wydler Technology In-
25 novation Act of 1980, as so redesignated by section 213(5)

1 *of this Act, is amended by striking “Office of Productivity,*
2 *Technology, and Innovation” and inserting in lieu thereof*
3 *“Technology Administration”.*

4 ***SEC. 408. WIND ENGINEERING RESEARCH PROGRAM.***

5 *(a) SHORT TITLE.—This section may be cited as the*
6 *“Wind Engineering Program Act of 1994”.*

7 *(b) FINDINGS.—Congress finds and declares the follow-*
8 *ing:*

9 *(1) Hurricanes and tornadoes kill more Ameri-*
10 *cans and destroy more property than any other natu-*
11 *ral disaster.*

12 *(2) Each year, in the United States, extreme*
13 *winds cause billions of dollars of damage to homes,*
14 *schools, and other buildings, roads and bridges, elec-*
15 *trical power distribution networks, and communica-*
16 *tions networks.*

17 *(3) Research on wind and wind engineering has*
18 *resulted in improved methods for making buildings*
19 *and other structures less vulnerable to extreme winds,*
20 *but additional research funding is needed to develop*
21 *new, improved, and more cost-effective methods of*
22 *wind-resistant construction.*

23 *(4) Federal funding for wind engineering re-*
24 *search has decreased drastically over the last 20 years.*

1 (5) *Wind research has been hampered by a lack*
2 *of data on near-surface wind speed and distribution*
3 *during hurricanes, tornadoes, and other severe storms.*

4 (6) *Many existing methods for wind-resistant*
5 *construction are inexpensive and easy to implement*
6 *but often they are not applied because the construc-*
7 *tion industry and the general public are unaware of*
8 *such methods.*

9 (7) *Various Federal agencies have important*
10 *roles to play in wind engineering research, but at*
11 *present there is little interagency cooperation in this*
12 *area.*

13 (8) *Establishment of a Federal Wind Engineer-*
14 *ing Program would result in new technologies for*
15 *wind-resistant construction, broader application of*
16 *such technologies in construction, and ultimately de-*
17 *creased loss of life and property due to extreme winds.*

18 (c) *PURPOSE.—The purpose of this section is to create*
19 *a Wind Engineering Program within the National Institute*
20 *of Standards and Technology, which would—*

21 (1) *provide for wind engineering research;*

22 (2) *serve as a clearinghouse for information on*
23 *wind engineering; and*

24 (3) *improve interagency coordination on wind*
25 *engineering research between the National Institute of*

1 *Standards and Technology, the National Oceanic and*
2 *Atmospheric Administration, the National Science*
3 *Foundation, the Federal Aviation Administration,*
4 *and other appropriate agencies.*

5 *(d) ESTABLISHMENT.—Within the National Institute*
6 *of Standards and Technology, there shall be established a*
7 *Wind Engineering Program which shall—*

8 *(1) conduct research and development, in co-*
9 *operation with the private sector and academia, on*
10 *new methods for mitigating wind damage due to tor-*
11 *nadoes, hurricanes, and other severe storms;*

12 *(2) fund construction and maintenance of wind*
13 *tunnels and other research facilities needed for wind*
14 *engineering research;*

15 *(3) promote the application of existing methods*
16 *for, and research results on, reducing wind damage to*
17 *buildings that are usually incompletely- or non-engi-*
18 *neered, such as single family dwellings, mobile homes,*
19 *light industrial buildings, and small commercial*
20 *structures;*

21 *(4) transfer technology developed in wind engi-*
22 *neering research to the private sector so that it may*
23 *be applied in building codes, design practice, and*
24 *construction;*

1 (5) *conduct, in conjunction with the National*
2 *Oceanic and Atmospheric Administration, post-disas-*
3 *ter research following hurricanes, tornadoes, and other*
4 *severe storms to evaluate the vulnerability of different*
5 *types of buildings to extreme winds;*

6 (6) *serve as a point of contact for dissemination*
7 *of research information on wind engineering and*
8 *work with the private sector to develop education and*
9 *training programs on construction techniques, devel-*
10 *oped from research results, for reducing wind damage;*

11 (7) *work with the National Oceanic and Atmos-*
12 *pheric Administration, the Federal Aviation Admin-*
13 *istration, and other agencies as is appropriate, on*
14 *meteorology programs to collect and disseminate more*
15 *data on extreme wind events; and*

16 (8) *work with the National Science Foundation*
17 *to support and expand basic research on wind engi-*
18 *neering.*

19 **SEC. 409. ENVIRONMENTALLY SENSITIVE CONSTRUCTION**
20 **TECHNOLOGIES.**

21 (a) *SHORT TITLE.*—*This section may be cited as the*
22 *“Environmentally Sensitive Construction Act of 1994”.*

23 (b) *FINDINGS AND PURPOSES.*—*Congress finds the fol-*
24 *lowing:*

1 (1) *As the world economy develops, environ-*
2 *mental concerns are becoming increasingly critical.*

3 (2) *Developing the world economy through the*
4 *use of environmentally sound technologies will pay*
5 *dividends for years to come.*

6 (3) *The United States should be a leader in de-*
7 *veloping environmentally sound technologies.*

8 (4) *As shelter is a basic human need, the devel-*
9 *opment of environmentally sound construction tech-*
10 *niques should be a priority area.*

11 (5) *Establishment of a Federal Environmentally*
12 *Sensitive Construction Program within the Institute*
13 *would result in new technologies for environmentally*
14 *sensitive construction, broader application of such*
15 *technologies in construction, and an improved world*
16 *economy and environment.*

17 (c) *ESTABLISHMENT.*—*Within the Institute, there shall*
18 *be established a Federal Environmentally Sensitive Con-*
19 *struction Program which shall—*

20 (1) *conduct research and development, in co-*
21 *operation with the private sector and academia, on*
22 *construction materials and techniques which result in*
23 *structures which pose low environmental and health*
24 *risks for their occupants and minimize waste genera-*
25 *tion and other environmental problems;*

- 1 (2) *as appropriate and permitted by appropria-*
2 *tions, support academic research projects in regions*
3 *around the Nation to develop and demonstrate envi-*
4 *ronmentally sensitive construction; and*
- 5 (3) *disseminate information on environmentally*
6 *sensitive construction technology.*

7 **SEC. 410. AMERICAN WORKFORCE QUALITY.**

8 (a) *WORKFORCE ACTIVITIES.*—*In addition to existing*
9 *responsibilities and authorities prescribed by law, the Sec-*
10 *retary, through the Director and after consultation with the*
11 *Secretary of Labor, shall ensure that Regional Centers for*
12 *the Transfer of Manufacturing Technology and Manufac-*
13 *turing Outreach Centers utilize, when appropriate, their ex-*
14 *pertise and capability to assist managers and workers of*
15 *manufacturers in the United States in effectively utilizing*
16 *and operating advanced manufacturing technologies and*
17 *modern technologies—*

18 (1) *by making available assessments of the needs*
19 *of manufacturers in the United States for worker*
20 *training in the effective utilization and operation of*
21 *specific technologies the manufacturers have adopted*
22 *or are planning to adopt;*

23 (2) *by making available to manufacturers in the*
24 *United States information on commercially and pub-*
25 *licly provided worker training services, including*

1 *those provided by United States sources of tech-*
2 *nologies, in the effective utilization and operation of*
3 *specific technologies the manufacturers have adopted*
4 *or are planning to adopt; and*

5 *(3) by providing information to client firms and*
6 *their workers to enable them effectively to utilize and*
7 *operate specific technologies that the firms have*
8 *adopted or plan to adopt.*

9 *(b) WORKFORCE ANALYSIS AND INFORMATION DIS-*
10 *SEMINATION.—In addition to existing responsibilities and*
11 *authorities prescribed by law, the Secretary, through the Di-*
12 *rector and in consultation with the Secretary of Labor and*
13 *other appropriate Federal officials and with leaders of in-*
14 *dustry and labor, shall assist managers and other workers*
15 *of manufacturers in the United States in effectively utiliz-*
16 *ing and operating advanced manufacturing technologies*
17 *and modern technologies—*

18 *(1) by establishing and managing a clearing-*
19 *house for information, to be available through an ap-*
20 *propriate entity to the Regional Centers for the*
21 *Transfer of Manufacturing Technology, to the Manu-*
22 *facturing Outreach Centers when they are established,*
23 *to other technology training entities, or directly to*
24 *manufacturers, on the best available training mate-*
25 *rial and services for the effective utilization and oper-*

1 *ation of specific advanced manufacturing technologies*
2 *and modern technologies;*

3 (2) *by encouraging United States providers of*
4 *advanced manufacturing technologies and modern*
5 *technologies for manufacturers to develop training*
6 *material specifically designed for the managers and*
7 *other workers responsible for utilizing and operating*
8 *such technologies; and*

9 (3) *by establishing as an important criterion in*
10 *the assessment of advanced manufacturing tech-*
11 *nologies and modern technologies the availability of*
12 *training material specifically designed for the man-*
13 *agers and other workers responsible for utilizing and*
14 *operating such technologies.*

15 **SEC. 411. SEVERABILITY.**

16 *If any provision of this Act or the amendments made*
17 *by this Act, or the application thereof to any person or cir-*
18 *cumstance, is held invalid, the remainder of this Act and*
19 *the amendments made by this Act, and the application*
20 *thereof to other persons or circumstances, shall not be af-*
21 *ected thereby.*

22 **SEC. 412. USE OF DOMESTIC PRODUCTS.**

23 (a) *PROHIBITION AGAINST FRAUDULENT USE OF*
24 *“MADE IN AMERICA” LABELS.—(1) A person shall not in-*
25 *tentionally affix a label bearing the inscription of “Made*

1 *in America”, or any inscription with that meaning, to any*
2 *product sold in or shipped to the United States, if that*
3 *product is not a domestic product.*

4 (2) *A person who violates paragraph (1) shall not be*
5 *eligible for any contract for a procurement carried out with*
6 *amounts authorized under this Act, or under any amend-*
7 *ment made by this Act, including any subcontract under*
8 *such a contract pursuant to the debarment, suspension, and*
9 *ineligibility procedures in subpart 9.4 of chapter 1 of title*
10 *48, Code of Federal Regulations, or any successor proce-*
11 *dures thereto.*

12 (b) *COMPLIANCE WITH BUY AMERICAN ACT.—(1) Ex-*
13 *cept as provided in paragraph (2), the head of each agency*
14 *which conducts procurements shall ensure that such pro-*
15 *curements are conducted in compliance with sections 2*
16 *through 4 of the Act of March 3, 1933 (41 U.S.C. 10a*
17 *through 10c, popularly known as the “Buy American Act”).*

18 (2) *This subsection shall apply only to procurements*
19 *made for which—*

20 (A) *amounts are authorized by this Act, or by*
21 *any amendment made by this Act, to be made avail-*
22 *able; and*

23 (B) *solicitations for bids are issued after the date*
24 *of enactment of this Act.*

1 (3) *The Secretary, before January 1, 1995, shall report*
2 *to the Congress on procurements covered under this sub-*
3 *section of products that are not domestic products.*

4 (c) *PURCHASE OF AMERICAN MADE EQUIPMENT AND*
5 *PRODUCTS.—(1) It is the sense of Congress that any recipi-*
6 *ent of a grant under this Act, or under any amendment*
7 *made by this Act, should, when practical, purchase only*
8 *American made equipment and products when expending*
9 *grant monies.*

10 (2) *In allocating grants under this Act, or under any*
11 *amendment made by this Act, the Secretary shall provide*
12 *to each recipient a notice describing the statement made*
13 *in paragraph (1) by the Congress.*

14 (d) *DEFINITION.—For the purposes of this section, the*
15 *term “domestic product” means a product—*

16 (1) *that is manufactured or produced in the*
17 *United States; and*

18 (2) *at least 50 percent of the cost of the articles,*
19 *materials, or supplies of which are mined, produced,*
20 *or manufactured in the United States.*

21 **SEC. 413. PERSONNEL.**

22 *Notwithstanding any other provision of law, the per-*
23 *sonnel management demonstration project, established*
24 *under section 10 of the National Bureau of Standards Au-*

1 *thorization Act for Fiscal Year 1987 (15 U.S.C. 275 note),*
 2 *is extended until December 31, 1998.*

3 ***TITLE V—AUTHORIZATIONS OF***
 4 ***APPROPRIATIONS***

5 ***SEC. 501. TECHNOLOGY ADMINISTRATION.***

6 (a) *AUTHORIZATION OF APPROPRIATIONS.*—There are
 7 *authorized to be appropriated to the Secretary, to carry out*
 8 *the activities of the Under Secretary and the Assistant Sec-*
 9 *retary of Commerce for Technology Policy, in addition to*
 10 *any other amounts authorized for such purposes, for the Of-*
 11 *fice of the Under Secretary—*

12 (1) *\$6,000,000 for fiscal year 1994;*

13 (2) *\$11,300,000 for fiscal year 1995, of which*
 14 *\$2,000,000 are authorized for program evaluations*
 15 *under section 101(g) of the Stevenson-Wydler Tech-*
 16 *nology Innovation Act of 1980, as added by section*
 17 *405 of this Act; and*

18 (3) *\$14,000,000 for fiscal year 1996.*

19 (b) *NATIONAL TECHNICAL INFORMATION SERVICE FA-*
 20 *CILITIES STUDY.*—As part of its modernization effort and
 21 *before signing any lease for a new facility, the National*
 22 *Technical Information Service, in consultation with the*
 23 *General Services Administration, shall study and report to*
 24 *Congress on the feasibility of accomplishing all or part of*
 25 *its modernization by signing a long-term lease with an or-*

1 *ganization that agrees to supply a facility and supply and*
 2 *periodically upgrade modern equipment which permits the*
 3 *National Technical Information Service to receive, store,*
 4 *and manipulate in electronic form, and print, electroni-*
 5 *cally-created documents and reports and to carry out the*
 6 *other functions assigned to the National Technical Informa-*
 7 *tion Service.*

8 **SEC. 502. NATIONAL INSTITUTE OF STANDARDS AND TECH-**
 9 **NOLOGY.**

10 (a) *INTRAMURAL SCIENTIFIC AND TECHNICAL RE-*
 11 *SEARCH AND SERVICES.*—(1) *There are authorized to be ap-*
 12 *propriated to the Secretary, to carry out the intramural*
 13 *scientific and technical research and services activities of*
 14 *the Institute, \$240,988,000 for fiscal year 1994,*
 15 *\$320,000,000 for fiscal year 1995, and \$350,000,000 for fis-*
 16 *cal year 1996.*

17 (2) *Of the amounts authorized under paragraph (1)—*

18 (A) *\$1,000,000 for each of the fiscal years 1994,*
 19 *1995, and 1996 are authorized only for the evaluation*
 20 *of nonenergy-related inventions;*

21 (B) *\$8,054,000 for fiscal year 1994 and*
 22 *\$8,113,000 for each of the fiscal years 1995 and 1996*
 23 *are authorized only for the technical competence fund;*
 24 *and*

1 (C) \$5,000,000 for each of the fiscal years 1994,
2 1995, and 1996 are authorized only for the standards
3 pilot project established under section 104(e) of the
4 American Technology Preeminence Act of 1991 (Pub-
5 lic Law 102-245; 106 Stat. 10).

6 (b) *FACILITIES*.—In addition to the amounts author-
7 ized under subsection (a), there are authorized to be appro-
8 priated to the Secretary \$62,000,000 for fiscal year 1994,
9 \$110,392,000 for fiscal year 1995, and \$112,000,000 for fis-
10 cal year 1996, for the renovation and upgrading of the In-
11 stitute's facilities. The Institute may enter into a contract
12 for the design work for such purposes only if Federal Gov-
13 ernment payments under the contract are limited to
14 amounts provided in advance in appropriations Acts.

15 (c) *EXTRAMURAL INDUSTRIAL TECHNOLOGY SERV-*
16 *ICES*.—(1) In addition to the amounts authorized under
17 subsections (a) and (b), there are authorized to be appro-
18 priated to the Secretary, to carry out the extramural indus-
19 trial technology services activities of the Institute—

20 (A) for the Manufacturing Extension Partner-
21 ship, \$40,000,000 for fiscal year 1994, \$70,000,000
22 for fiscal year 1995, and \$100,000,000 for fiscal year
23 1996;

24 (B) for the Advanced Technology Program,
25 \$200,000,000 for fiscal year 1994, \$475,000,000 for

1 *fiscal year 1995, and \$575,000,000 for fiscal year*
2 *1996; and*

3 *(C) for quality programs at the Institute,*
4 *\$2,800,000 for fiscal year 1994, \$10,000,000 for fiscal*
5 *year 1995, and \$10,000,000 for fiscal year 1996.*

6 *(2) The Secretary shall ensure that audits are per-*
7 *formed by outside auditors on the programs for which funds*
8 *are appropriated pursuant to this subsection. The summary*
9 *results of such audits shall be submitted to Congress by the*
10 *end of each of the fiscal years 1994 and 1995, and not more*
11 *than \$2,000,000, or 2 percent of the aggregate amount made*
12 *available under this subsection, whichever is greater, shall*
13 *be used in each such fiscal year for performing the audits.*

14 *(d) TRANSFERS.—(1) Funds may be transferred*
15 *among the line items listed in subsection (a) and among*
16 *the line items listed in subsection (c) so long as—*

17 *(A) the net funds transferred to or from any line*
18 *item do not exceed 10 percent of the amount author-*
19 *ized for that line item in such subsection;*

20 *(B) the aggregate amount authorized under sub-*
21 *section (a) is not changed; and*

22 *(C) the Committee on Commerce, Science, and*
23 *Transportation of the Senate and the Committee on*
24 *Science, Space, and Technology of the House of Rep-*

1 *representatives are notified in advance of any such*
2 *transfer.*

3 *(2) The Secretary may propose transfers to or from*
4 *any line item listed in subsection (a) exceeding 10 percent*
5 *of the amount authorized from such line item, but such pro-*
6 *posed transfer may not be made unless—*

7 *(A) a full and complete explanation of any such*
8 *proposed transfer and the reason therefor are trans-*
9 *mitted in writing to the Speaker of the House of Rep-*
10 *resentatives, the President of the Senate, and the ap-*
11 *propriate authorizing committees of the House of*
12 *Representatives and the Senate; and*

13 *(B) 30 days have passed following the trans-*
14 *mission of such written explanation.*

15 *(e) WIND ENGINEERING.—(1) There are authorized to*
16 *be appropriated to the Institute for the purposes of section*
17 *408 of this Act, \$1,000,000 for fiscal year 1994 and*
18 *\$3,000,000 for each of the fiscal years 1995 and 1996.*

19 *(2) Of the amounts appropriated under paragraph (1),*
20 *no less than 50 percent shall be used for cooperative agree-*
21 *ments with the National Oceanic and Atmospheric Admin-*
22 *istration, the National Science Foundation, and the Federal*
23 *Aviation Administration, or other agencies, for wind engi-*
24 *neering research, development of improved practices for*

1 *structures, and the collection and dissemination of meteorological data needed for wind engineering.*

3 (f) *ENVIRONMENTALLY SENSITIVE CONSTRUCTION PROGRAM.*—*There are authorized to be appropriated to the Institute for the purposes of section 409, \$1,000,000 for fiscal year 1994 and \$3,000,000 for fiscal year 1995.*

7 **SEC. 503. ADDITIONAL ACTIVITIES OF THE TECHNOLOGY**
8 **ADMINISTRATION.**

9 *In addition to the amounts authorized under sections 501 and 502, there are authorized to be appropriated to the Secretary to carry out additional duties of the Under Secretary—*

13 (1) *for the establishment and management of a technology training clearinghouse, \$2,000,000 for each of the fiscal years 1994 and 1995 and \$3,000,000 for fiscal year 1996;*

17 (2) *for the support of policy experiments relating to intelligent manufacturing systems, \$2,000,000 for fiscal year 1995 and \$4,000,000 for fiscal year 1996;*

20 (3) *for carrying out responsibilities for technology monitoring and competitiveness assessment, \$10,000,000 for each of the fiscal years 1994 and 1995 and \$12,000,000 for fiscal year 1996;*

1 (4) for the National Technical Information Serv-
2 ice revolving fund, \$20,000,000 for each of the fiscal
3 years 1995 and 1996; and

4 (4) for the purpose of carrying out the technology
5 financing pilot program under section 306,
6 \$2,000,000 for fiscal year 1994 to prepare the operat-
7 ing plan and promulgate regulations required under
8 that section and \$50,000,000 for each of the fiscal
9 years 1995 and 1996 to carry out the provisions of
10 that section.

11 **SEC. 504. NATIONAL SCIENCE FOUNDATION.**

12 In addition to such other sums as may be authorized
13 by other provisions of law to be appropriated to the Director
14 of the National Science Foundation, there are authorized
15 to be appropriated to that Director, to carry out the provi-
16 sions of section 221, \$50,000,000 for fiscal year 1994 and
17 \$75,000,000 for each of the fiscal years 1995 and 1996.

18 **SEC. 505. AVAILABILITY OF APPROPRIATIONS.**

19 Appropriations made under the authority provided in
20 this title shall remain available for obligation, for expendi-
21 ture, or for obligation and expenditure for periods specified
22 in the Acts making such appropriations.

1 **TITLE VI—INFORMATION**
2 **TECHNOLOGY APPLICATIONS**

3 **SEC. 601. SHORT TITLE.**

4 *This title may be cited as the “Information Technology*
5 *Applications Act of 1994”.*

6 **SEC. 602. FINDINGS AND PURPOSE.**

7 *(a) FINDINGS.—Congress finds and declares the follow-*
8 *ing:*

9 *(1) High-performance computing and high-speed*
10 *networks have proven to be powerful tools for improv-*
11 *ing America’s national security, industrial competi-*
12 *tiveness, and research capabilities.*

13 *(2) Federal programs, such as the National*
14 *High-Performance Computing Program established by*
15 *Congress in 1991, have played a key role in main-*
16 *taining United States leadership in high-performance*
17 *computing, especially in the defense and research sec-*
18 *tors.*

19 *(3) High-performance computing and high-speed*
20 *networking have the potential to revolutionize many*
21 *fields, including education, libraries, health care, and*
22 *manufacturing, if adequate resources are invested in*
23 *developing the technology needed to do so.*

24 *(4) The Federal Government should ensure that*
25 *the technology developed under research and develop-*

1 *ment programs such as the National High-Perform-*
2 *ance Computing Program can be widely applied for*
3 *the benefit of all Americans, including Americans*
4 *with disabilities.*

5 *(5) The Federal Government, in cooperation with*
6 *computer users, private industry, and others, should*
7 *support research and development projects which will*
8 *provide large economic and social benefits. These*
9 *projects, designed to address major National Chal-*
10 *lenges, should include the development of computing*
11 *tools for teaching, digital libraries of electronic infor-*
12 *mation, computer systems to improve the delivery of*
13 *health care, and computer and networking technology*
14 *to promote United States competitiveness. These ap-*
15 *plications should be designed and operated in ways*
16 *which protect privacy and intellectual property*
17 *rights.*

18 *(b) PURPOSE.—It is the purpose of this title to expand*
19 *the scope of the National High-Performance Computing*
20 *Program to identify and promote the development of appli-*
21 *cations of high-performance computing and high-speed*
22 *networking which will provide large economic and social*
23 *benefits to the Nation.*

1 **SEC. 603. INFORMATION TECHNOLOGY APPLICATIONS.**

2 (a) *FINDINGS, PURPOSE, AND DEFINITIONS OF HIGH-*
3 *PERFORMANCE COMPUTING ACT.*—*The High-Performance*
4 *Computing Act of 1991 (15 U.S.C. 5501 et seq.) is amend-*
5 *ed—*

6 (1) *in section 2, by amending paragraph (4) to*
7 *read as follows:*

8 “(4) *High-capacity and high-speed computer networks*
9 *would provide researchers and educators with access to com-*
10 *puter and information resources and act as test beds for*
11 *further research and development.”;*

12 (2) *in section 3—*

13 (A) *by amending paragraph (1)(A) to read*
14 *as follows:*

15 “(A) *accelerate the creation of a universally ac-*
16 *cessible communications network for the Nation,”;*

17 (B) *in paragraph (1)(C), by striking*
18 *“available for use through the Network”;*

19 (C) *in paragraph (1)(G), by inserting “and*
20 *National Challenges” after “Grand Challenges”;*
21 *and*

22 (D) *by striking “and” at the end of para-*
23 *graph (1)(I); by striking the period at the end of*
24 *paragraph (2) and inserting in lieu thereof “;*
25 *and”;* *and by adding after paragraph (2) the fol-*
26 *lowing new paragraph:*

1 “(3) promoting the widest possible application of high-
2 performance computing and high-speed networking by—

3 “(A) identifying and addressing specific Na-
4 tional Challenges, and generally expanding Federal
5 support for research and development of high-perform-
6 ance computing and high-speed networking, in order
7 to—

8 “(i) improve education at all levels, from
9 preschool to adult education, including the devel-
10 opment of new educational technologies;

11 “(ii) build digital libraries of electronic in-
12 formation accessible over computer networks;

13 “(iii) improve the provision of health care,
14 including furnishing health care providers and
15 their patients with better, more accurate, and
16 more timely information; and

17 “(iv) increase the productivity of the Na-
18 tion’s industry, especially in the manufacturing
19 sector; and

20 “(B) improving coordination of Federal efforts to
21 deploy these technologies in cooperation with the pri-
22 vate sector as part of an advanced national informa-
23 tion infrastructure.”;

24 (3) in section 4, by striking paragraph (4); by
25 redesignating paragraph (5) as paragraph (7); and

1 *by inserting after paragraph (3) the following new*
2 *paragraphs:*

3 “(4) ‘information infrastructure’ means a network of
4 communications systems and computer systems designed to
5 exchange information among all citizens and residents of
6 the United States;

7 “(5) ‘National Challenge’ means a technical or oper-
8 ational difficulty or problem which, if successfully solved,
9 will result in an application of high-performance comput-
10 ing or high-speed networking that will provide large eco-
11 nomic and social benefits to a broad segment of the Nation’s
12 populace;

13 “(6) ‘Network Program’ means the National Research
14 and Education Network Program established under section
15 102; and”.

16 (b) NATIONAL HIGH-PERFORMANCE COMPUTING PRO-
17 GRAM.—Section 101 of the High-Performance Computing
18 Act of 1991 is amended—

19 (1) in subsection (a)(2)—

20 (A) by amending subparagraphs (A) and
21 (B) to read as follows:

22 “(A) foster and encourage competition and
23 private-sector investment in networking within
24 the telecommunications industry;

25 “(B) encourage—

1 “(i) a diversity of public and private
2 sources for information products and serv-
3 ices based on government information; and

4 “(ii) the dissemination of government
5 information to the public on a timely, equi-
6 table, and affordable basis and in a manner
7 that will promote the usefulness of the infor-
8 mation to the public;”; and

9 (B) by striking “and” at the end of sub-
10 paragraph (H); by striking the period at the end
11 of subparagraph (I) and inserting in lieu thereof
12 a semicolon; and by inserting after subpara-
13 graph (I) the following new subparagraphs:

14 “(J) provide for the development and, as
15 appropriate, implementation of applications of
16 high-performance computing and high-speed
17 networking, through projects which address Na-
18 tional Challenges in the fields of education, li-
19 brary science, health care, manufacturing, provi-
20 sion of government information, and other ap-
21 propriate fields;

22 “(K) identify each Program agency’s re-
23 sponsibility for addressing National Challenges
24 in high-performance computing and high-speed
25 networking; and

1 “(L) provide for the development, to the ex-
2 tent technologically feasible, of technology to pro-
3 tect privacy, security, and intellectual property
4 rights (including copyrights).”;

5 (2) in subsection (a)(4)(C), by inserting “devel-
6 opment of applications technology,” after “develop-
7 ment,”; and by inserting “Program established in sec-
8 tion 102” after “Network”; and

9 (3) in subsection (a)(4), by striking “and” at the
10 end of subparagraph (D); by striking the period at
11 the end of subparagraph (E) and inserting in lieu
12 thereof a semicolon; and by adding at the end the fol-
13 lowing new subparagraphs:

14 “(F) include a summary of the achieve-
15 ments of Federal efforts during the preceding fis-
16 cal year to develop technologies needed for an ad-
17 vanced information infrastructure;

18 “(G) identify steps agencies are taking to
19 develop technology to protect privacy, security,
20 and intellectual property rights (including copy-
21 rights) for computer networks; and

22 “(H) provide any recommendations regard-
23 ing additional action or legislation which may
24 be required to assist in achieving the purposes of
25 this title.”; and

1 (4) by inserting after subsection (c) the following
2 new subsection:

3 “(d) *COPYRIGHT LAW*.—Nothing in this Act shall be
4 construed to modify or otherwise change any provision of
5 title 17, United States Code.”.

6 **SEC. 604. APPLICATIONS FOR EDUCATION AND LIBRARIES.**

7 (a) *NATIONAL SCIENCE FOUNDATION ACTIVITIES*.—
8 Section 201 of the High-Performance Computing Act of
9 1991 (15 U.S.C. 5521) is amended—

10 (1) in subsection (a), by striking “and” at the
11 end of paragraph (3); by striking the period at the
12 end of paragraph (4) and inserting in lieu thereof a
13 semicolon; and by adding at the end the following
14 new paragraphs:

15 “(5) the National Science Foundation and the Depart-
16 ment of Education, in cooperation with other appropriate
17 agencies, shall provide for the development of advanced com-
18 puting and networking technology for use in education at
19 all levels; and

20 “(6) the National Science Foundation, the Department
21 of Education, and other appropriate agencies shall provide
22 for the development and use of technologies needed for digi-
23 tal libraries of computerized data and information and, as
24 appropriate, may work with private and nonprofit institu-
25 tions to develop prototype digital libraries to serve as test

1 *beds for advanced computing systems, software, standards,*
2 *and methods.”; and*

3 *(2) in subsection (b), by striking “\$305,000,000”*
4 *and inserting in lieu thereof “\$339,000,000”; and by*
5 *striking “\$354,000,000” and inserting in lieu thereof*
6 *“\$404,000,000”.*

7 *(b) NATIONAL AERONAUTICS AND SPACE ADMINISTRA-*
8 *TION ACTIVITIES.—(1) Section 202(a) of the High-Perform-*
9 *ance Computing Act of 1991 (15 U.S.C. 5522(a)) is amend-*
10 *ed to read as follows:*

11 *“(a) GENERAL RESPONSIBILITIES.—As part of the*
12 *Program described in title I, the National Aeronautics and*
13 *Space Administration shall—*

14 *“(1) conduct basic and applied research in high-*
15 *performance computing, particularly in the field of*
16 *computational science, with emphasis on aerospace*
17 *sciences, earth and space sciences, and remote explo-*
18 *ration and experimentation; and*

19 *“(2) provide for the development of technologies*
20 *needed for digital libraries and electronic informa-*
21 *tion.”.*

22 *(2) Section 202(b) of the High-Performance Comput-*
23 *ing Act of 1991 (15 U.S.C. 5522(b)) is amended by striking*
24 *“\$134,000,000” and inserting in lieu thereof*

1 “\$154,000,000”; and by striking “\$151,000,000” and in-
2 serting in lieu thereof “\$181,000,000”.

3 (c) *ROLE OF DEPARTMENT OF EDUCATION.*—Section
4 206 of the High-Performance Computing Act of 1991 (15
5 U.S.C. 5526) is amended to read as follows:

6 **“SEC. 206. ROLE OF THE DEPARTMENT OF EDUCATION.**

7 “(a) *GENERAL RESPONSIBILITIES.*—As part of the
8 Program described in title I—

9 “(1) the Secretary of Education is authorized to
10 conduct basic and applied research in computational
11 research with the emphasis on the coordination of ac-
12 tivities with libraries, school facilities, and edu-
13 cational research groups with respect to the advance-
14 ment and dissemination of computer science and the
15 development, evaluation, and application of software
16 capabilities; and

17 “(2) the Department of Education, in coopera-
18 tion with the National Science Foundation and other
19 agencies as appropriate, shall provide for the develop-
20 ment of advanced computing and networking tech-
21 nology at all educational levels; the development and
22 use of technologies needed for digital libraries of com-
23 puterized data and information; and the development
24 and implementation of training programs for teach-

1 *ers, students, and librarians in the use of local and*
 2 *national computer networks.*

3 *“(b) AUTHORIZATIONS OF APPROPRIATIONS.—From*
 4 *sums otherwise authorized to be appropriated to the Depart-*
 5 *ment of Education, there are authorized to be appropriated*
 6 *for the purposes of carrying out responsibilities under sub-*
 7 *section (a) of this section, \$11,900,000 for fiscal year 1994;*
 8 *\$22,100,000 for fiscal year 1995; and \$2,300,000 for fiscal*
 9 *year 1996.”.*

10 **SEC. 605. APPLICATIONS FOR MANUFACTURING AND IN-**
 11 **FORMATION.**

12 *Section 204 of the High-Performance Computing Act*
 13 *of 1991 (15 U.S.C. 5524) is amended—*

14 *(1) in subsection (a)(1), by striking “and” at the*
 15 *end of subparagraph (B), and by inserting after sub-*
 16 *paragraph (C) the following new subparagraph:*

17 *“(D) develop, refine, test, and transfer, in*
 18 *coordination with other agencies when appro-*
 19 *priate, advanced computer-integrated, electroni-*
 20 *cally-networked manufacturing technologies and*
 21 *associated applications; and”;*

22 *(2) in subsection (a), by striking the period at*
 23 *the end of paragraph (2) and inserting in lieu thereof*
 24 *“; and”; and by adding at the end the following new*
 25 *paragraph:*

1 “(3) the Secretary of Commerce and, as appropriate,
 2 other Federal officials shall, in consultation with the Super-
 3 intendent of Documents, identify and support projects to
 4 develop and apply high-performance computing and high-
 5 speed networking technologies to provide improved public
 6 access to information generated by Federal, State, and local
 7 governments, including environmental monitoring informa-
 8 tion.”; and

9 (3) in subsection (d)—

10 (A) in paragraph (1), by inserting “(other
 11 than Advanced Manufacturing Program activi-
 12 ties)” after “Program” and by striking “and” at
 13 the end of the paragraph;

14 (B) by striking the period at the end of
 15 paragraph (2) and inserting in lieu thereof “;
 16 and”; and

17 (C) by adding at the end the following new
 18 paragraph:

19 “(3) to the Secretary of Commerce to carry out Pro-
 20 gram activities under subsection (a)(3), \$30,000,000 for fis-
 21 cal year 1994 and \$50,000,000 for fiscal year 1995.”.

22 **SEC. 606. APPLICATIONS IN ENERGY AND OTHER AREAS.**

23 Section 203 of the High-Performance Computing Act
 24 of 1991 (15 U.S.C. 5523) is amended by adding at the end
 25 the following new subsection:

1 “(f) *APPLICATIONS.—(1) The Secretary of Energy*
2 *shall, consistent with the Program, develop, test, and apply*
3 *high-performance computing and high-speed networking*
4 *technologies in areas within the Department’s missions, in-*
5 *cluding—*

6 “(A) *energy demand management and control,*
7 *including vehicle efficiency and utilization, energy ef-*
8 *iciency in commercial and residential buildings, and*
9 *industry energy use and practices;*

10 “(B) *environmental monitoring, modeling, and*
11 *remediation;*

12 “(C) *manufacturing;*

13 “(D) *materials;*

14 “(E) *the generation of electricity and the produc-*
15 *tion and consumption of oil, natural gas, and coal;*
16 *and*

17 “(F) *other areas in which the Department’s com-*
18 *puting expertise may assist industry and others, in-*
19 *cluding applications in health care, education and*
20 *training, financial services, and law enforcement.*

21 “(2) *The Secretary of Energy shall provide for cooper-*
22 *ative projects involving the Department of Energy and one*
23 *or more Department of Energy laboratories and appro-*
24 *priate non-Federal entities in carrying out this subsection.*

1 “(3) In carrying out projects under paragraph (2), the
 2 Secretary of Energy shall, where appropriate, seek to ad-
 3 dress the technical and other considerations critical to fur-
 4 ther development of the technologies and applications useful
 5 for a national information infrastructure.

6 “(4) There is authorized to be appropriated to the Sec-
 7 retary of Energy for purposes of this subsection,
 8 \$50,000,000 for fiscal year 1994, \$100,000,000 for fiscal
 9 year 1995, and \$150,000,000 for fiscal year 1996.”.

10 **SEC 607. APPLICATIONS FOR HEALTH CARE; ACCESS TO**
 11 **NETWORKS.**

12 The High-Performance Computing Act of 1991 (15
 13 U.S.C. 5501 et seq.) is amended—

14 (1) by redesignating sections 207 and 208 as sec-
 15 tions 209 and 210, respectively; and

16 (2) by adding after section 206 the following new
 17 sections:

18 **“SEC. 207. ROLE OF THE DEPARTMENT OF HEALTH AND**
 19 **HUMAN SERVICES.**

20 “(a) GENERAL RESPONSIBILITIES.—As part of the
 21 Program described in title I, the Secretary of Health and
 22 Human Services shall, through the Public Health Service,
 23 the National Institutes of Health, the National Library of
 24 Medicine, and the Centers for Disease Control and Preven-
 25 tion, in cooperation with the National Science Foundation

1 *and other appropriate agencies, develop and support the de-*
2 *velopment of interoperable technologies for applications of*
3 *high-performance computing and high-speed networking in*
4 *the health care sector. In developing these technologies, em-*
5 *phasis shall be placed on applications that can produce sig-*
6 *nificant savings in national health care costs. Such tech-*
7 *nologies shall, when feasible, build on existing Federal pro-*
8 *grams for developing information technology applications*
9 *in the health care sector.*

10 “(b) *AUTHORIZATION OF APPROPRIATIONS.—From*
11 *sums otherwise authorized to be appropriated, there are au-*
12 *thorized to be appropriated to the Department of Health*
13 *and Human Services for the purposes of this section,*
14 *\$9,000,000 for fiscal year 1993, \$30,000,000 for fiscal year*
15 *1994, and \$50,000,000 for fiscal year 1995.*

16 **“SEC. 208. ACCESS TO NETWORKS.**

17 “(a) *CONNECTIONS PROGRAM.—The National Science*
18 *Foundation, the Department of Education, Department of*
19 *Commerce, particularly the National Telecommunications*
20 *and Information Administration, and other appropriate*
21 *agencies shall—*

22 “(1) *foster the creation of computer networks, in-*
23 *cluding but not limited to high-performance computer*
24 *networks, in geographical areas which will connect*
25 *institutions of higher education, elementary and sec-*

1 ondary schools, libraries and depository libraries, and
2 Federal, State, and local governments to each other;
3 and

4 “(2) provide for connection of such networks to
5 other networks.

6 “(b) *TRAINING.*—The National Science Foundation,
7 the Department of Education, the Department of Com-
8 merce, particularly the National Telecommunications and
9 Information Administration, and other appropriate agen-
10 cies shall provide for programs to train teachers, students,
11 librarians, and Federal, State, and local government per-
12 sonnel in the use of local and national computer networks.
13 Training programs for librarians shall be designed to pro-
14 vide skills and training materials needed by librarians to
15 instruct the public in the use of hardware and software for
16 accessing and using local and national computer networks.

17 “(c) *REPORT.*—The Director shall, within 1 year after
18 the date of enactment of the Information Technology Appli-
19 cations Act of 1994, submit a report to Congress which shall
20 include—

21 “(1) findings of an examination of the extent to
22 which the education and library communities and
23 State and local governments have access to local and
24 national networks;

1 “(2) a statement of the extent to which connec-
2 tions to local and national networks exist for the edu-
3 cation and library communities and State and local
4 governments;

5 “(3) an assessment of the factors limiting access
6 by schools, libraries, and State and local governments
7 to local and national networks and an estimate of the
8 cost of providing universal access for those institu-
9 tions to those networks; and

10 “(4) recommendations for collaborative programs
11 among Federal, State, and local governments and the
12 private sector to expand connectivity to local and na-
13 tional computer networks for educational institutions,
14 libraries, and Federal, State, and local governments.

15 “(d) AUTHORIZATION OF APPROPRIATIONS.—To carry
16 out the purposes of this section, there are authorized to be
17 appropriated—

18 “(1) to the National Science Foundation,
19 \$5,000,000 for fiscal year 1994 and \$12,500,000 for
20 fiscal year 1995; and

21 “(2) to the Department of Education, \$5,000,000
22 for fiscal year 1994 and \$12,500,000 for fiscal year
23 1995.”.

1 **SEC. 608. HIGH-PERFORMANCE COMPUTING AND APPLICA-**
2 **TIONS ADVISORY COMMITTEE.**

3 *Section 101(b) of the High-Performance Computing*
4 *Act of 1991 (15 U.S.C. 5511(b)) is amended to read as fol-*
5 *lows:*

6 “(b) *HIGH-PERFORMANCE COMPUTING AND APPLICA-*
7 *TIONS ADVISORY COMMITTEE.*—*The Director shall establish*
8 *an advisory committee on high-performance computing and*
9 *applications consisting of non-Federal members, including*
10 *representatives of the research, elementary and secondary*
11 *education, higher education, and library communities,*
12 *consumer and public interest groups, network providers,*
13 *and the computer, telecommunications, information and*
14 *publishing industries, and other groups who use networks,*
15 *who are specially qualified to provide the Director with ad-*
16 *vice and information on high-performance computing and*
17 *on applications of computing and networking. The Director*
18 *shall consider the recommendations of the advisory commit-*
19 *tee in reviewing and revising the Program. The advisory*
20 *committee shall provide the Director with an independent*
21 *assessment of—*

22 “(1) *progress in implementing the Program;*

23 “(2) *the need to revise the Program;*

24 “(3) *the balance between the components of the*
25 *activities undertaken pursuant to this Act;*

1 “(4) whether the research, development, and dem-
 2 onstration projects undertaken pursuant to this Act
 3 are helping to maintain United States leadership in
 4 computing and networking technologies and in the
 5 application of those technologies;

6 “(5) whether the applications and technologies
 7 developed under the Program are successfully address-
 8 ing the needs of targeted populations, including as-
 9 sessment of the number of users served by those appli-
 10 cations; and

11 “(6) other issues identified by the Director.”.

12 **SEC. 609. NATIONAL RESEARCH AND EDUCATION NETWORK**
 13 **PROGRAM.**

14 Section 102 of the High-Performance Computing Act
 15 of 1991 (15 U.S.C. 5512) is amended to read as follows:

16 **“SEC. 102. NATIONAL RESEARCH AND EDUCATION NET-**
 17 **WORK PROGRAM.**

18 “(a) *ESTABLISHMENT.*—As part of the Program de-
 19 scribed in section 101, the National Science Foundation,
 20 the Department of Defense, the Department of Energy, the
 21 Department of Commerce, the National Aeronautics and
 22 Space Administration, the Department of Education, and
 23 other agencies participating in the Program shall, in con-
 24 sultation with the Superintendent of Documents, support
 25 the establishment of the National Research and Education

1 *Network Program. The Network Program shall consist of*
2 *the following components:*

3 “(1) *Research and development of software and*
4 *hardware for high-performance computing and high-*
5 *speed networks.*

6 “(2) *Support of experimental test bed networks*
7 *for—*

8 “(A) *developing and demonstrating ad-*
9 *vanced networking technologies resulting from*
10 *the activities described in paragraph (1); and*

11 “(B) *providing connections and associated*
12 *network services for purposes consistent with this*
13 *Act.*

14 “(3) *Provision of support for researchers, edu-*
15 *cators, students, libraries, and other appropriate in-*
16 *stitutions in order to ensure their access and use of*
17 *networks.*

18 “(4) *Federal networks for linking Federal agency*
19 *facilities and personnel to each other and to non-Fed-*
20 *eral networks.*

21 “(b) *PROGRAM REQUIREMENTS.—The Network Pro-*
22 *gram shall—*

23 “(1) *be closely coordinated with the computer*
24 *hardware, computer software, telecommunications,*
25 *and information industries, and network users in*

1 *government, industry, and research and educational*
2 *institutions;*

3 *“(2) foster and encourage competition and pri-*
4 *vate sector investment in networking within the tele-*
5 *communications industry;*

6 *“(3) promote and encourage research and devel-*
7 *opment leading to the creation of data transmission*
8 *standards, enabling the establishment of privately de-*
9 *veloped high-speed commercial networks;*

10 *“(4) provide for the appropriate application of*
11 *Federal laws that provide network and information*
12 *resources security, including those that protect intel-*
13 *lectual property rights, control access to data bases,*
14 *and protect national security;*

15 *“(5) enable interoperability of Federal and non-*
16 *Federal computer networks, to the extent appropriate,*
17 *in a way that allows autonomy for each component*
18 *network;*

19 *“(6) promote the research and development of*
20 *high-capacity and high-speed computing networks, in-*
21 *cluding related applications; and*

22 *“(7) demonstrate, in cooperation with users and*
23 *others in the private sector, how advanced computers,*
24 *high-capacity and high-speed computing networks,*

1 *and data bases can contribute to the national infor-*
2 *mation infrastructure.*

3 “(c) *NETWORK ACCESS PLAN.*—*The Federal agencies*
4 *participating in activities under this section shall develop*
5 *a plan with specific goals for implementing the require-*
6 *ments of subsection (a)(3), including provision for financial*
7 *assistance to educational institutions, public libraries, and*
8 *other appropriate entities. This plan shall be submitted to*
9 *the Congress not later than one year after the date of enact-*
10 *ment of the Information Technology Applications Act of*
11 *1994. Each year thereafter, the Director shall report to Con-*
12 *gress on progress in implementing subsection (a)(3).*

13 “(d) *DEPARTMENT OF DEFENSE RESPONSIBILITIES.*—
14 *As part of the Program, the Department of Defense, through*
15 *the Advanced Research Projects Agency, shall support re-*
16 *search and development of advanced fiber optics technology,*
17 *switches, and protocols.*

18 “(e) *INFORMATION SERVICES.*—*The Director shall as-*
19 *sist the President in coordinating the activities of appro-*
20 *priate agencies to promote the development of information*
21 *services that could be provided over computer networks con-*
22 *sistent with the purposes of this Act. These services may*
23 *include the provision of directories of the users and services*
24 *on computer networks, data bases of unclassified Federal*
25 *data, training of users of data bases and computer net-*

1 *works, and technology to support computer-based collabora-*
2 *tion that facilitates research and education. In carrying out*
3 *this section, the Director shall consult with the Super-*
4 *intendent of Documents in order to facilitate compatibility*
5 *of information systems and eliminate unnecessary redun-*
6 *dancy.*

7 “(f) *USE OF GRANT FUNDS.—All Federal agencies and*
8 *departments are authorized to allow recipients of Federal*
9 *research grants to use grant funds to pay for computer*
10 *networking expenses.*

11 “(g) *USE OF PROGRAM FUNDS.—(1) Each agency in*
12 *the Program, when using Program funds for the procure-*
13 *ment of communications networking services for Program*
14 *activities, shall develop, provide access to, or use commu-*
15 *nications networks through the acquisition of commercially*
16 *available network services or through contracting for cus-*
17 *tomized services when such acquisition cannot satisfy agen-*
18 *cy requirements. Nothing in this section shall be construed*
19 *to modify or otherwise change the Federal Property and Ad-*
20 *ministrative Services Act of 1949.*

21 “(2) *In using Program funds to provide grants or as-*
22 *sistance to non-Federal entities for the support of commu-*
23 *nications networking services, the head of each agency in*
24 *the Program shall provide funding only to non-Federal en-*

1 *tities which agree to develop, provide access to, or use com-*
 2 *munications networks—*

3 *“(A) through the acquisition of commercially*
 4 *available communications networking services; or*

5 *“(B) if no such services are satisfactorily avail-*
 6 *able, through contracting for customized services, with*
 7 *the determination of satisfactory availability includ-*
 8 *ing consideration of geographic access to and afford-*
 9 *ability of service, and timeliness and technical per-*
 10 *formance standards in providing services.*

11 *In neither subparagraph (A) or (B) may the grantee use*
 12 *Federal funds for purposes other than the purposes for*
 13 *which they are awarded.*

14 *“(3) The provisions of this subsection shall apply only*
 15 *to procurements, grants, or agreements for assistance en-*
 16 *tered into by Program agencies for Program activities after*
 17 *the date of enactment of the Information Technology Appli-*
 18 *cations Act of 1994.”.*

19 **SEC. 610. SUPPORT FOR COMPUTER EDUCATION PRO-**
 20 **GRAMS.**

21 *(a) EDUCATION PROJECT.—The Administrator of the*
 22 *National Aeronautics and Space Administration (hereafter*
 23 *in this section referred to as the ‘Administrator’) shall es-*
 24 *tablish a Computer Technologies for K–12 Education*
 25 *Project (hereafter in this section referred to as the ‘Project’)*

1 *to test and demonstrate educational applications of ad-*
 2 *vanced computer technologies, including but not limited to*
 3 *high-performance computing technologies, in public school*
 4 *systems providing precollege education. The Project shall*
 5 *award, on a competitive basis, grants to plan, deploy, man-*
 6 *age, and operate advanced educational applications of com-*
 7 *puter technologies in K–12 public school systems in the*
 8 *United States in response to proposals requested by the Ad-*
 9 *ministrator. The Administrator shall ensure that non-Fed-*
 10 *eral funds committed to support such proposals shall*
 11 *amount to not less than 30 percent of the Federal grant*
 12 *from the Project.*

13 (b) *AUTHORIZATION OF APPROPRIATIONS.—There are*
 14 *authorized to be appropriated to the National Aeronautics*
 15 *and Space Administration \$8,000,000 for each of the fiscal*
 16 *years 1994 and 1995, to carry out the provisions of para-*
 17 *graph (1). No funds shall be awarded under the Project*
 18 *other than through the competitive process established by*
 19 *the Administrator pursuant to this section.*

20 **SEC. 611. SUPPORT FOR STATE-BASED DIGITAL LIBRARIES.**

21 (a) *PROGRAM TO SUPPORT DIGITAL LIBRARIES.—The*
 22 *National Science Foundation, in consultation with the De-*
 23 *partment of Education, the Department of Commerce, the*
 24 *Advanced Research Projects Agency, the Library of Con-*
 25 *gress, the Superintendent of Documents, and other appro-*

1 puate agencies, is authorized to initiate a competitive,
2 merit-based program to support the efforts of States and,
3 as appropriate, libraries to develop electronic libraries. In
4 carrying out this section, the National Science Foundation
5 shall consult with the Superintendent of Documents in
6 order to facilitate compatibility of Federal information sys-
7 tems and eliminate unnecessary redundancy. These librar-
8 ies shall provide delivery of and access to a variety of
9 databases, computer programs, and interactive multimedia
10 presentations, including educational materials, research in-
11 formation, statistics and reports developed by Federal,
12 State, and local governments, and other information and
13 informational services which can be carried over computer
14 networks.

15 (b) *AUTHORIZATION OF APPROPRIATIONS.*—To carry
16 out the provisions of this section, there are authorized to
17 the Director of the National Science Foundation
18 \$10,000,000 for fiscal year 1994, and \$25,000,000 for fiscal
19 year 1995.

20 (c) *COPYRIGHT LAW.*—Nothing in this section shall be
21 construed to modify or otherwise change any provision of
22 title 17, United States Code.

1 **SEC. 612. SUPPORT FOR COMPUTING ACTIVITIES AT TRIBAL**
2 **COLLEGES.**

3 *The Director of the National Science Foundation shall*
4 *design and implement a pilot program to provide financial*
5 *assistance, through competitive selection processes, to States*
6 *in which are located two or more tribally-controlled commu-*
7 *nity colleges. The objective of the pilot program shall be to*
8 *institute interactive telecommunications systems among*
9 *such tribally controlled community colleges in such States,*
10 *so as to assist the tribal community in education, job train-*
11 *ing, and other appropriate activities.*

12 **SEC. 613. DEPARTMENT OF EDUCATION SUPPORT FOR COM-**
13 **PUTER EDUCATION PROGRAMS.**

14 *(a) EDUCATION PROJECT.—In addition to the general*
15 *responsibilities set forth in section 206 of the High-Perform-*
16 *ance Computing Act of 1991 (15 U.S.C. 5526), the Depart-*
17 *ment of Education, in cooperation as appropriate with*
18 *other Federal agencies, shall establish a project to test and*
19 *demonstrate educational applications of advanced computer*
20 *technologies, including but not limited to high-performance*
21 *computing and networking technologies, in school systems*
22 *providing precollege education. This project shall award, on*
23 *a competitive basis, grants to plan, deploy, manage, and*
24 *operate advanced educational applications of computer*
25 *technologies in response to proposals requested by the Sec-*
26 *retary of Education. The Secretary of Education shall en-*

1 *sure that non-Federal funds committed to such proposals*
 2 *shall amount to not less than 30 percent of the Federal*
 3 *grant.*

4 (b) *AUTHORIZATION OF APPROPRIATIONS.—From*
 5 *sums otherwise authorized to be appropriated to the Depart-*
 6 *ment of Education, there are authorized to be appropriated*
 7 *to carry out the provisions of this section, \$8,000,000 for*
 8 *each of the fiscal years 1994 and 1995. No funds shall be*
 9 *awarded under the provisions of subsection (a) other than*
 10 *through the competitive process established by the Secretary*
 11 *of Education pursuant to this section.*

12 ***TITLE VII—FASTENER QUALITY***
 13 ***ACT AMENDMENTS***

14 ***SEC. 701. FASTENER QUALITY ACT AMENDMENTS.***

15 (a) *TECHNICAL AMENDMENTS.—(1) Section 3 of the*
 16 *Fastener Quality Act (15 U.S.C. 5402) is amended—*

17 (A) *in paragraph (8), by striking “Standard”*
 18 *and inserting in lieu thereof “Standards”; and*

19 (B) *in paragraph (14), by striking “which de-*
 20 *fines or describes” and all that follows through “of*
 21 *any fastener”.*

22 (2) *Section 5(b)(1) of the Fastener Quality Act (15*
 23 *U.S.C. 5404(b)(1)) is amended by striking “section 6; un-*
 24 *less” and inserting in lieu thereof “section 6, unless”.*

1 (3) *Section 7(c)(2) of the Fastener Quality Act (15*
2 *U.S.C. 5406(c)(2)) is amended by inserting “to the same”*
3 *before “extent”.*

4 (b) *CLARIFYING AMENDMENTS.—(1) Section*
5 *5(a)(1)(B) of the Fastener Quality Act (15 U.S.C.*
6 *5404(a)(1)(B)) is amended by striking “subsections (b) and*
7 *(c)” and inserting in lieu thereof “subsections (b), (c), and*
8 *(d)”.*

9 (2) *Section 5(a)(2)(A)(i) of the Fastener Quality Act*
10 *(15 U.S.C. 5404(a)(2)(A)(i)) is amended by striking “sub-*
11 *sections (b) and (c)” and inserting in lieu thereof “sub-*
12 *sections (b), (c), and (d)”.*

13 (3) *Section 5(c)(4) of the Fastener Quality Act (15*
14 *U.S.C. 5404(c)(4)) is amended by inserting “except as pro-*
15 *vided in subsection (d),” before “state”.*

16 (4) *Section 5 of the Fastener Quality Act (15 U.S.C.*
17 *5404) is amended by adding at the end the following new*
18 *subsection:*

19 “(d) *ALTERNATIVE PROCEDURE FOR CHEMICAL*
20 *CHARACTERISTICS.—Notwithstanding the requirements of*
21 *subsections (b) and (c), a manufacturer shall be deemed to*
22 *have demonstrated, for purposes of subsection (a)(1), that*
23 *the chemical characteristics of a lot conform to the stand-*
24 *ards and specifications to which the manufacturer rep-*

1 *resents such lot has been manufactured if the following re-*
2 *quirements are met:*

3 “(1) *The coil or heat number of metal from*
4 *which such lot was fabricated has been inspected and*
5 *tested with respect to its chemical characteristics by*
6 *a laboratory accredited in accordance with the proce-*
7 *dures and conditions specified by the Secretary under*
8 *section 6.*

9 “(2) *Such laboratory has provided to the manu-*
10 *facturer, either directly or through the metal manu-*
11 *facturer, a written inspection and testing report,*
12 *which shall be in a form prescribed by the Secretary*
13 *by regulation, listing the chemical characteristics of*
14 *such coil or heat number.*

15 “(3) *The report described in paragraph (2) indi-*
16 *cates that the chemical characteristics of such coil or*
17 *heat number conform to those required by the stand-*
18 *ards and specifications to which the manufacturer*
19 *represents such lot has been manufactured.*

20 “(4) *The manufacturer demonstrates that such*
21 *lot has been fabricated from the coil or heat number*
22 *of metal to which the report described in paragraphs*
23 *(2) and (3) relates.*

24 *In prescribing the form of report required by subsection (c),*
25 *the Secretary shall provide for an alternative to the state-*

1 *ment required by subsection (c)(4), insofar as such state-*
2 *ment pertains to chemical characteristics, for cases in which*
3 *a manufacturer elects to use the procedure permitted by this*
4 *subsection.”.*

5 *(c) SALE OF FASTENERS SUBSEQUENT TO MANUFAC-*
6 *TURE.—Section 7 of the Fastener Quality Act (15 U.S.C.*
7 *5406) is amended—*

8 *(1) in subsection (e)(1)—*

9 *(A) by striking “or any person who pur-*
10 *chases any quantity of fasteners for resale at*
11 *wholesale” and inserting in lieu thereof “, im-*
12 *porter, or private label distributor”; and*

13 *(B) by striking “or such person” and insert-*
14 *ing in lieu thereof “, importer, or private label*
15 *distributor”;*

16 *(2) by adding at the end of subsection (e) the fol-*
17 *lowing new paragraph:*

18 *“(3) Notwithstanding paragraph (1), fasteners may be*
19 *sold to an end user in commingled lots if—*

20 *“(A) any packaging of such fastener includes a*
21 *conspicuous disclaimer message indicating that the*
22 *fasteners are manufactured and tested in compliance*
23 *with this Act but have been commingled with like*
24 *items from different lots; and*

1 “(B) the person selling such fasteners has a writ-
 2 ten statement from the end user purchasing such fas-
 3 teners granting permission to the seller to provide
 4 commingled lots.

5 A written statement described in subparagraph (B) shall
 6 be kept on file for at least 10 years for any later review
 7 or audit.”; and

8 (3) by amending subsection (f) to read as follows:

9 “(f) *SUBSEQUENT PURCHASER.*—It shall be unlawful
 10 for any person to sell fasteners, of any quantity, to any
 11 end user who requests lot traceability, unless the container
 12 of fasteners sold is conspicuously marked with the number
 13 of the lot from which such fasteners were taken.”.

14 **TITLE VIII—PRIVATE CARRIAGE** 15 **OF URGENT LETTERS**

16 **SEC. 801. PRIVATE CARRIAGE OF URGENT LETTERS.**

17 *It is the sense of the Congress that the United States*
 18 *Postal Service, in the administration of chapter 6 of title*
 19 *39, United States Code, shall suspend its audits by the Post-*
 20 *al Inspection Service of private businesses or individuals*
 21 *who use private express for the private carriage of any letter*
 22 *which such business or individual determines is urgent,*
 23 *until the Congress receives and considers a report by the*
 24 *General Accounting Office regarding the potential financial*

1 *impact on the Postal Service of permanently suspending en-*
2 *forcement of chapter 6, of title 39, United States Code.*

3 ***TITLE IX—REGULATORY***
4 ***FLEXIBILITY ANALYSIS***

5 ***SEC. 901. DEFINITIONS.***

6 *Section 601 of title 5, United States Code is amend-*
7 *ed—*

8 *(1) in paragraph (5) by striking out “and” at*
9 *the end thereof;*

10 *(2) in paragraph (6) by striking out the period*
11 *and inserting in lieu thereof a semicolon and “and”;*
12 *and*

13 *(3) by adding at the end thereof the following*
14 *new paragraph:*

15 *“(7) the term ‘impact’ means effects of a pro-*
16 *posed or final rule which an agency can anticipate at*
17 *the time of publication, and includes those effects*
18 *which are directly and indirectly imposed by the pro-*
19 *posed or final rule and are beneficial and negative.”.*

20 ***SAC. 902. INITIAL REGULATORY FLEXIBILITY ANALYSIS.***

21 *Section 603 of title 5, United States Code, is amend-*
22 *ed—*

23 *(1) in subsection (a)—*

1 (A) in the first sentence by inserting “as de-
2 fined under section 601(2)” after “any proposed
3 rule”; and

4 (B) in the second sentence by striking out
5 “the impact” and inserting thereof “both the di-
6 rect and indirect impacts”;

7 (2) in subsection (b)(3) by striking out “apply”
8 and inserting in lieu thereof “directly apply and an
9 estimate of the number of small entities to which the
10 rule will indirectly apply”; and

11 (3) in subsection (c) in the first sentence by in-
12 serting before the period “either directly or indirectly
13 effected”.

14 **SEC. 903. FINAL REGULATORY FLEXIBILITY ANALYSIS.**

15 Section 604(a) of title 5, United States Code, is
16 amended in the first sentence by striking out “under section
17 553 of this title, after being required by that section or any
18 other law to publish a general notice of proposed rule-
19 making” and inserting in lieu thereof “as defined under
20 section 610(2)”.

21 **SEC. 904. JUDICIAL REVIEW.**

22 Section 611(b) of title 5, United States Code, is re-
23 pealed.

1 ***TITLE X—COUNTER-***
2 ***INTELLIGENCE***

3 ***SEC. 1001. SHORT TITLE.***

4 *This title may be cited as the “Counterintelligence Im-*
5 *provements Act of 1994”.*

6 ***SEC. 1002. AMENDMENT TO THE NATIONAL SECURITY ACT***
7 ***OF 1947.***

8 *The National Security Act of 1947 (50 U.S.C. 401 et*
9 *seq.) is amended by inserting at the end thereof the follow-*
10 *ing new title:*

11 ***“TITLE VIII—ACCESS TO TOP SECRET***
12 ***INFORMATION***

13 ***“ELIGIBILITY FOR ACCESS TO TOP SECRET INFORMATION***

14 ***“SEC. 801. (a) The President and Vice President,***
15 ***Members of the Congress, Justices of the Supreme Court and***
16 ***judges of other courts of the United States established pursu-***
17 ***ant to Article III of the Constitution, shall, by virtue of***
18 ***their elected or appointed positions, be entitled to access to***
19 ***Top Secret information needed for the performance of their***
20 ***governmental functions without regard to the other provi-***
21 ***sions of this title.***

22 ***“(b) Among employees of the United States Govern-***
23 ***ment, access to Top Secret information shall be limited to***
24 ***employees;***

1 “(1) who have been granted access to such infor-
2 mation pursuant to this title;

3 “(2) who are citizens of the United States who
4 require routine access to such information for the per-
5 formance of official governmental functions; and

6 “(3) who have been determined to be trustworthy
7 based upon a background investigation and appro-
8 priate reinvestigations and have otherwise satisfied
9 the requirements of section 802, below.

10 “(c) Access to Top Secret information by persons other
11 than those identified in subsections (a) and (b) shall be per-
12 mitted only in accordance with the regulations issued by
13 the President pursuant to section 802 below.

14 IMPLEMENTING REGULATIONS

15 “Sec. 802. The President shall, within 180 days of en-
16 actment of this title, issue regulations to implement this
17 title which shall be binding upon all departments, agencies,
18 and offices of the Executive branch. These regulations shall,
19 at a minimum provide that—

20 (A) no employee of the United States Govern-
21 ment shall be given access to Top Secret information
22 owned, originated or possessed by United States, after
23 the effective date of this title, by any department,
24 agency, or entity of the United States Government
25 unless such person has been subject to an appropriate
26 background investigation and has—

1 “(1) *provided consent to the investigative*
2 *agency responsible for conducting the security*
3 *investigation of such person, during the initial*
4 *background investigation and for such times as*
5 *access to such information is maintained, and*
6 *for 5 years thereafter, permitting access to—*

7 *(a) financial records concerning the*
8 *subject pursuant to section 1104 of the*
9 *Right to Financial Privacy Act of 1978;*

10 *“(b) consumer reports concerning the*
11 *subject pursuant to section 1681b of the*
12 *Consumer Credit Protection Act; and*

13 *“(c) records maintained by commercial*
14 *entities within the United States pertaining*
15 *to any travel by the subject outside the*
16 *United States: Provided, That—*

17 *“(i) no information may be re-*
18 *quested by an authorized investigative*
19 *agency pursuant to this section for any*
20 *purpose other than making a security*
21 *determination;*

22 *“(ii) where the person concerned*
23 *no longer has access to Top Secret in-*
24 *formation, no information may be re-*
25 *quested by an authorized investigative*

1 *agency pursuant to this section unless*
2 *such agency has reasonable grounds to*
3 *believe, based upon specific and*
4 *articulable facts available to it, that*
5 *such person may pose a threat to the*
6 *continued security of the information*
7 *to which he or she had previously had*
8 *access; and*

9 “(iii) *any information obtained*
10 *by an authorized investigative agency*
11 *pursuant to this section shall not be*
12 *disseminated to any other department,*
13 *agency, or entity for any purpose other*
14 *than for making a security determina-*
15 *tion, or for foreign counterintelligence*
16 *or law enforcement purposes;*

17 “(2) *agreed, during the period of his or her*
18 *access, to report to the department, agency, or*
19 *entity granting such access in accordance with*
20 *applicable regulations, any travel to foreign*
21 *countries which has not been authorized as part*
22 *of the subject’s official duties;*

23 “(3) *agreed to report to the Federal Bureau*
24 *of Investigation, or to appropriate investigative*
25 *authorities of the department, agency, or entity*

1 *concerned, any unauthorized contacts with per-*
2 *sons known to be foreign nationals or persons*
3 *representing foreign nationals, where an effort to*
4 *acquire classified information is made by the*
5 *foreign national, or where such contacts appear*
6 *intended for this purpose. For purposes of this*
7 *subsection, the term ‘unauthorized contacts’ does*
8 *not include contacts made within the context of*
9 *an authorized diplomatic relationship. Failure*
10 *by the employee to comply with any of the re-*
11 *quirements of this subsection shall constitute*
12 *grounds for denial or termination of access to the*
13 *Top Secret information concerned.*

14 *“(B) all employees granted access to Top Secret*
15 *information pursuant to this subsection shall also be*
16 *subject to—*

17 *“(1) additional background investigations*
18 *by appropriate governmental authorities during*
19 *the period of access at no less frequent interval*
20 *than every 5 years, except that any failure to*
21 *satisfy this requirement that is not solely attrib-*
22 *utable to the subject of the investigation shall not*
23 *result in a loss or denial of access; and*

24 *“(2) investigation by appropriate govern-*
25 *mental authority at any time during the period*

1 *of access to ascertain whether such persons con-*
2 *tinue to meet the requirements for access.*

3 *“(C) access to Top Secret information by cat-*
4 *egories of persons who do not meet the requirements*
5 *of subsections (A) and (B) of this section may be per-*
6 *mitted only where the President, or officials des-*
7 *ignated by the President for this purpose, determine*
8 *that such access is essential to protect or further the*
9 *national security interests of the United States.*

10 *“(D) a single office within the Executive branch*
11 *shall be designated to monitor the implementation*
12 *and operation of this title within the Executive*
13 *branch. This office shall submit an annual report to*
14 *the President and appropriate committees of the Con-*
15 *gress, describing the operation of this title and rec-*
16 *ommending needed improvements. A copy of the regu-*
17 *lations implementing this title shall be provided to*
18 *the Select Committee on Intelligence of the Senate and*
19 *the Permanent Select Committee on Intelligence of the*
20 *House of Representatives thirty days prior to their ef-*
21 *fective date.*

22 *“WAIVERS FOR INDIVIDUAL CASES*

23 *“SEC. 803. In extraordinary circumstances, when es-*
24 *sential to protect or further the national security interests*
25 *of the United States, the President (or officials designated*
26 *by the President for this purpose) may waive the provisions*

1 *of this title, or the provisions of the regulations issued pur-*
2 *suant to section 802, above, in individual cases involving*
3 *persons who are citizens of the United States or are persons*
4 *admitted into the United States for permanent residence:*
5 *Provided, That all such waivers shall be made a matter of*
6 *record and reported to the office designated pursuant to sec-*
7 *tion 802(D), above, and shall be available for review by the*
8 *Select Committee on Intelligence of the Senate and the Per-*
9 *manent Select Committee of the House of Representatives.*

10 *“DEFINITIONS*

11 *“SEC. 804. For purposes of this title—*

12 *“(a) the term ‘national security’ refers to the na-*
13 *tional defense and foreign relations of the United*
14 *States;*

15 *“(b) the phrases ‘information classified in the in-*
16 *terest of national security’ or ‘classified information’*
17 *means any information originated by or on behalf of*
18 *the United States Government, the unauthorized dis-*
19 *closure of which would cause damage to the national*
20 *security, which has been marked and is controlled*
21 *pursuant to the Executive Order 12356 of April 2,*
22 *1982, or successor orders, or the Atomic Energy Act*
23 *of 1954;*

24 *“(c) the term ‘Top Secret information’ means in-*
25 *formation classified in the interests of national secu-*

1 *urity, the unauthorized disclosure of which would cause*
2 *exceptionally grave damage to the national security;*

3 *“(d) the term ‘employee’ includes any person*
4 *who receives a salary or compensation of any kind*
5 *from the United States Government, is a contractor*
6 *of the United States Government, is an unpaid con-*
7 *sultant of the United States Government, or otherwise*
8 *acts for or on behalf of the United States Government,*
9 *but does not include the President or Vice President*
10 *of the United States, Members of the Congress of the*
11 *United States, Justices of the Supreme Court or*
12 *judges of other federal courts established pursuant to*
13 *Article III of the Constitution; and*

14 *“(e) the term “authorized investigative agency”*
15 *means an agency authorized by law or regulation to*
16 *conduct investigations of persons who are proposed*
17 *for access to Top Secret information to ascertain*
18 *whether such persons satisfy the criteria for obtaining*
19 *and retaining access to such information.*

20 *“EFFECTIVE DATE*

21 *“SEC. 805. This title shall take effect 180 days after*
22 *the date of its enactment.”.*

1 **SEC. 1003. PROTECTION OF CRYPTOGRAPHIC INFORMA-**
2 **TION.**

3 *The National Security Act of 1947 (50 U.S.C. 401 et*
4 *seq.), as amended by section 1002, is further amended by*
5 *inserting at the end the following new title:*

6 *“TITLE IX—PROTECTION OF CRYPTOGRAPHIC*
7 *INFORMATION*

8 *“SEC. 901. (a) REQUIREMENTS FOR ACCESS TO CRYPT-*
9 *TOGRAPHIC INFORMATION.—(1) Any employee of a depart-*
10 *ment or agency within the Executive branch who is granted*
11 *access to classified cryptographic information or routine,*
12 *recurring access to any space in which classified crypt-*
13 *ographic key is produced or processed, or is assigned re-*
14 *sponsibilities as a custodian of classified cryptographic key,*
15 *shall, as a condition of receiving such access, or being as-*
16 *signed such responsibilities, and at a minimum:*

17 *“(A) meet the requirements applicable to persons*
18 *having access to Top Secret information, as defined*
19 *in subsection 804(c) of this Act, (as added by section*
20 *1002 of the Counterintelligence Improvements Act of*
21 *1994); and*

22 *“(B) be subject to periodic polygraph examina-*
23 *tions conducted by appropriate governmental authori-*
24 *ties, limited in scope to questions of a counterintel-*
25 *ligence nature, during the period of access.*

1 “(2) Failure to submit to an examination required
2 under paragraph (1) shall be grounds for removal from ac-
3 cess to cryptographic information or spaces.

4 “(3) No person shall be removed from access to cryp-
5 tographic information or spaces based solely upon the inter-
6 pretation of the results produced by a polygraph instru-
7 ment, measuring physiological resources, unless, after fur-
8 ther investigation, the head of the department or agency
9 concerned determines the risk to the national security in
10 permitting such access to be so potentially grave that access
11 must nonetheless be denied.

12 “(b) DEFINITIONS.—For purposes of this section—

13 “(1) the term ‘classified cryptographic informa-
14 tion’ means any information classified by the United
15 States Government pursuant to law or Executive
16 order concerning the details of (A) the nature, prepa-
17 ration, or use of any code, cipher, or cryptographic
18 system of the United States; or (B) the design, con-
19 struction, use, maintenance, or repair of any cryp-
20 tographic equipment; Provided, however, That the
21 term does not include information concerning the use
22 of cryptographic systems or equipment required for
23 personal or office use;

24 “(2) the phrase ‘custodian of classified cryp-
25 tographic key’ means positions that require access to

1 *classified cryptographic key beyond that required to*
2 *use or operate cryptographic equipment for personal*
3 *or office use, future editions of classified cryp-*
4 *tographic key, or classified cryptographic key used for*
5 *multiple devices;*

6 *“(3) the term ‘classified cryptographic key’*
7 *means any information (usually a sequence of ran-*
8 *dom binary digits), in any form, classified by the*
9 *United States Government pursuant to law or Execu-*
10 *tive order that is used to set up and periodically*
11 *change the operations performed by any cryp-*
12 *tographic equipment;*

13 *“(4) the term ‘cryptographic equipment’ means*
14 *any device, apparatus or appliance used, or prepared,*
15 *or planned for use by the United States for the pur-*
16 *pose of authenticating communications or disguising*
17 *or concealing the contents, significance, or meanings*
18 *of communications;*

19 *“(5) the term ‘employee’ includes any person*
20 *who receives a salary or compensation of any kind*
21 *from a department or agency of the Executive branch,*
22 *or is a contractor or unpaid consultant of such de-*
23 *partment or agency;*

24 *“(6) the term ‘head of a department or agency’*
25 *refers to the highest official who exercises supervisory*

1 *control over the employee concerned, and does not in-*
2 *clude any intermediate supervisory officials who may*
3 *otherwise qualify as heads of agencies within depart-*
4 *ments; and*

5 *“(7) the phrase ‘questions of a counterintelligence*
6 *nature’ means questions specified to the subject in ad-*
7 *vance of a polygraph examination solely to ascertain*
8 *whether the subject is engaged in, or planning, espio-*
9 *nage against the United States on behalf of a foreign*
10 *government or knows persons who are so engaged.*

11 *“SEC. 902. IMPLEMENTING REGULATIONS.—The*
12 *President shall, within 180 days of the date of enactment*
13 *of this title, promulgate regulations to implement the provi-*
14 *sions of this title. The President shall provide copies of such*
15 *regulations to the Select Committee on Intelligence of the*
16 *Senate and the Permanent Select Committee on Intelligence*
17 *of the House of Representatives.”.*

18 **SEC. 1004. AMENDMENT TO RIGHT TO FINANCIAL PRIVACY**

19 **ACT.**

20 *Section 1104 of the Right to Financial Privacy Act*
21 *of 1978 (12 U.S.C. 3404) is amended by adding at the end*
22 *thereof the following new subsection:*

23 *“(d)(1) Notwithstanding the provisions of subsection*
24 *(a), a customer who is the subject of a personnel security*
25 *investigation conducted by an authorized investigative*

1 agency of the U.S. Government as a condition of being
2 granted or maintaining access to Top Secret information,
3 as defined by section 804(c) of the National Security Act
4 of 1947 (as added by section 1002 of the Counterintelligence
5 Improvements Act of 1994), may authorize nonrevokable
6 disclosure of all financial records maintained by financial
7 institutions for the period of the customer's access to such
8 information and for up to 5 years after access to such infor-
9 mation has been terminated, by the investigative agency re-
10 sponsible for the conduct of such investigation, for an au-
11 thorized security purpose.

12 “(2) Such authority shall be contained in a signed and
13 dated statement of the customer which identifies the finan-
14 cial records which are authorized to be disclosed. Such state-
15 ment may also authorize the disclosure of financial records
16 of accounts opened during the period covered by the consent
17 agreement which are not identifiable at the time such con-
18 sent is provided. A copy of such statement shall be provided
19 by the investigative agency concerned to the financial insti-
20 tution from which disclosure is sought, together with the
21 certification required pursuant to section 1103(b) (12
22 U.S.C. 3403(b)).

23 “(3) The rights of the customer established by sub-
24 section (c), above, shall pertain to any disclosures made
25 pursuant to this subsection.

1 “(4) On an annual basis, the office designated by
2 President pursuant to section 802(D) of the National Secu-
3 rity Act of 1947 (as added by section 1002 of the Counter-
4 intelligence Improvements Act of 1994), shall fully inform
5 the Permanent Select Committee on Intelligence of the
6 House of Representatives and the Select Committee on Intel-
7 ligence of the Senate concerning the number of requests for
8 financial records made pursuant to this section.”.

9 **SEC. 1005. NEW CRIMINAL OFFENSE FOR THE POSSESSION**
10 **OF ESPIONAGE DEVICES.**

11 (a) *IN GENERAL.*—Chapter 37 of title 18, United
12 States Code, is amended by inserting at the end thereof the
13 following new section:

14 “POSSESSION OF ESPIONAGE DEVICES

15 “SEC. 799a. Whoever knowingly maintains possession
16 of any electronic, mechanical, or other device or equipment
17 the design and capability of which renders it primarily use-
18 ful for the purpose of surreptitiously collecting or commu-
19 nicating information, with the intent of utilizing such de-
20 vice or equipment to undertake actions which would violate
21 section 793, 794, 794a (as added by section 1006 of the
22 Counterintelligence Improvements Act of 1994), or 798 of
23 this title, or section 783(b) of title 50, United States Code,
24 shall be fined not more than \$10,000 or imprisoned not
25 more than 5 years, or both.”.

1 (b) *AMENDMENTS TO TABLE OF SECTIONS.*—The table
 2 of sections for chapter 37 of title 18, United States Code,
 3 is amended by adding at the end thereof the following new
 4 item:

“799a. Possession of espionage devices.”.

5 **SEC. 1006. NEW OFFENSE FOR SALE OR TRANSFER TO FOR-**
 6 **EIGN GOVERNMENTS DOCUMENTS AND**
 7 **OTHER MATERIALS DESIGNATED AS TOP SE-**
 8 **CRET.**

9 (a) *IN GENERAL.*—Chapter 37 of title 18, United
 10 States Code, is amended by inserting after section 794 the
 11 following new section:

12 “*SALE OR TRANSFER OF DOCUMENTS OR MATERIALS*
 13 *MARKED AS ‘TOP SECRET’*”

14 “*SEC. 794a. (a)(1) No person shall knowingly sell or*
 15 *otherwise transfer for any valuable consideration to any*
 16 *person whom he knows or has reason to believe to be an*
 17 *agent or representative of a foreign government—*

18 “(A) *any document, writing, code book, sketch,*
 19 *photograph, map, model, instrument, equipment, elec-*
 20 *tronic storage media, or other material, or portion*
 21 *thereof, knowing that it is marked or otherwise des-*
 22 *ignated in any manner, pursuant to applicable law*
 23 *and Executive order, as ‘Top Secret’, or*

24 “(B) *any such document, writing, code book,*
 25 *sketch, photograph, map, model, instrument, equip-*

1 *ment, electronic storage media, or other material, or*
2 *portion thereof, which has had such marking or des-*
3 *ignation removed without authority and the person*
4 *making the sale or transfer is aware of such removal.*

5 *“(2) Paragraph (1) shall not be deemed to be violated*
6 *by a person who makes such transfer pursuant to applicable*
7 *law or executive branch authority.*

8 *“(b) In any prosecution under this section, whether or*
9 *not the information or material in question has been prop-*
10 *erly marked or designated as “TOP SECRET” pursuant*
11 *to applicable law or Executive order shall not be an element*
12 *of the offense: Provided, however, That it shall be a defense*
13 *to any prosecution under this section that the information*
14 *or document in question has been officially released to the*
15 *public by an authorized representative of the United States*
16 *prior to the sale or transfer in question.*

17 *“(c) Violation of this section shall be punishable by*
18 *imprisonment for a maximum of 15 years.”.*

19 *(b) AMENDMENTS TO TABLE OF SECTIONS.—The table*
20 *of sections for chapter 37 of title 18, United States Code,*
21 *is amended by inserting after the item relating to section*
22 *794 the following new item:*

“794a. Sale or transfer of documents or materials marked as ‘Top Secret’.”

1 **SEC. 1007. LESSER CRIMINAL OFFENSE FOR THE REMOVAL**
2 **OF TOP SECRET DOCUMENTS BY GOVERN-**
3 **MENT EMPLOYEES AND CONTRACTORS.**

4 (a) *IN GENERAL.*—Chapter 93 of title 18, United
5 States Code, is amended by inserting at the end thereof the
6 following new section:

7 “REMOVAL AND RETENTION OF ‘TOP SECRET’ DOCUMENTS
8 OR MATERIAL

9 “SEC. 1924. Whoever, being an officer, employee, con-
10 tractor or consultant, of the United States, and having, by
11 virtue of his office, employment, position, or contract, be-
12 comes possessed of documents or materials classified at the
13 level of ‘Top Secret’ pursuant to applicable law or Executive
14 order, knowingly removes such documents or materials
15 without authority and retains such documents or materials
16 at an unauthorized location shall be fined not more than
17 \$1,000, or imprisoned for not more than one year, or both.”.

18 (b) *AMENDMENT TO TABLE OF SECTIONS.*—The table
19 of sections for chapter 93 of title 18, United States Code,
20 is amended by adding at the end thereof the following new
21 item:

“1924. Removal of ‘Top Secret’ documents or material.”

1 **SEC. 1008. JURISDICTION OF UNITED STATES COURTS TO**
 2 **TRY CASES INVOLVING ESPIONAGE OUTSIDE**
 3 **THE UNITED STATES.**

4 (a) Chapter 211 of title 18 of the United States Code
 5 is amended by adding a new section 3239 as follows:

6 **“§3239. Jurisdiction for espionage and related of-**
 7 **fenses**

8 “The trial for any offense involving a violation of—

9 “(a) section 793, 794, 794a (as added by section
 10 1006 of the Counterintelligence Improvements Act of
 11 1994), 798, 798a (as added by section 1005 of the
 12 Counterintelligence Improvements Act of 1994), or
 13 subsection 1030(a)(1) of this title;

14 “(b) section 601 of the National Security Act of
 15 1947 as added by the Intelligence Identities Protec-
 16 tion Act of 1982 (50 U.S.C. 421); or

17 “(c) subsections 4(b) or 4(c) of the Subversive Ac-
 18 tivities Control Act of 1950 (U.S.C. 783(b) or 783(c));
 19 begun or committed upon the high seas or elsewhere out of
 20 the jurisdiction of any particular state or district, may be
 21 prosecuted in the District of Columbia, or in the Eastern
 22 District of Virginia, or in any other district authorized by
 23 law.”.

24 (b) The chapter analysis for chapter 211 of title 18
 25 of the United States Code is amended by striking out

“[3239. Repealed.]”

1 *and inserting in lieu thereof:*

“3239. Jurisdiction for espionage and related offenses.”

2 ***SEC. 1009. EXPANSION OF EXISTING STATUTE REGARDING***
 3 ***FORFEITURE OF COLLATERAL PROFITS OF***
 4 ***CRIME TO ADDITIONAL ESPIONAGE OF-***
 5 ***FENSES.***

6 *Section 3681 of title 18, United States Code, is amend-*
 7 *ed—*

8 *(1) in subsection (a), by striking out “section*
 9 *794 of this title” and inserting in lieu thereof “sec-*
 10 *tions 793, 794, 794a (as added by section 1006 of the*
 11 *Counterintelligence Improvements Act of 1994), 798,*
 12 *and 799a (as added by section 1005 of the Counter-*
 13 *intelligence Improvements Act of 1994) of this title*
 14 *and section 783 of title 50, United States Code”; and*

15 *(2) by adding at the end thereof the following*
 16 *new subsection:*

17 *“(e) For purposes of this section, convictions pursuant*
 18 *to military courts-martial for offenses comparable to viola-*
 19 *tions of sections 793, 794, 794a (as added by section 1006*
 20 *of the Counterintelligence Improvements Act of 1994), 798,*
 21 *and 799a (as added by section 1005 of the Counterintel-*
 22 *ligence Improvements Act of 1994) of this title, or a viola-*
 23 *tion of section 783 of title 50, or convictions by foreign*
 24 *courts for offenses which, if perpetrated within the United*
 25 *States, would constitute offenses under sections 793, 794,*

1 794a (as added by section 1006 of the Counterintelligence
 2 Improvements Act of 1994), 798, and 799a (as added by
 3 section 1005 of the Counterintelligence Improvements Act
 4 of 1994) of this title, or a violation of section 783 of title
 5 50 shall be considered as convictions for which actions may
 6 be ordered pursuant to this section.”.

7 **SEC. 1010. DENIAL OF ANNUITIES OR RETIRED PAY TO PER-**
 8 **SONS CONVICTED OF ESPIONAGE IN FOREIGN**
 9 **COURTS INVOLVING UNITED STATES INFOR-**
 10 **MATION.**

11 Section 8312 of title 5, United States Code, is amended
 12 by adding at the end thereof the following new subsection:

13 “(d) For purposes of subsections (b)(1) and (c)(1), an
 14 offense within the meaning of such subsections is established
 15 if the Attorney General certifies to the agency employing
 16 or formerly employing the person concerned—

17 “(i) that an individual subject to this chapter
 18 has been convicted by an impartial court of appro-
 19 priate jurisdiction within a foreign country in cir-
 20 cumstances in which the conduct violates the provi-
 21 sions of law enumerated in subsections (b)(1) and
 22 (c)(1), or would violate such provisions, had such con-
 23 duct taken place within the United States, and that
 24 such conviction is not being appealed or that final ac-
 25 tion has been taken on such appeal;

1 “(2) that such conviction was obtained in ac-
2 cordance with procedures that provided the defendant
3 due process rights comparable to such rights provided
4 by the United States Constitution, and such convic-
5 tion was based upon evidence which would have been
6 admissible in the courts of the United States; and

7 “(3) that such conviction occurred after the date
8 of enactment of this subsection:

9 *Provided, That any certification made pursuant to this*
10 *paragraph shall be subject to review by the United States*
11 *Court of Claims based upon the application of the individ-*
12 *ual concerned, or his or her attorney, alleging that any of*
13 *the conditions set forth in subsections (1), (2), (3), herein,*
14 *as certified by the Attorney General, have not been satisfied*
15 *in his or her particular circumstances. Should the court de-*
16 *termine that any of these conditions has not been satisfied*
17 *in such case, the court shall order any annuity or retire-*
18 *ment benefit to which the person concerned is entitled to*
19 *be restored and shall order that any payments which may*
20 *have been previously denied or withheld to be paid by the*
21 *department or agency concerned.*

1 **SEC. 1011. AUTHORIZING THE FBI TO OBTAIN CONSUMER**
2 **REPORTS ON PERSONS BELIEVED TO BE**
3 **AGENTS OF FOREIGN POWERS.**

4 *Section 608 of the Consumer Credit Protection Act (15*
5 *U.S.C. 1681f) is amended—*

6 *(1) by inserting “(a)” before “Notwithstanding”;*

7 *and*

8 *(2) by inserting at the end thereof the following*
9 *new subsections:*

10 *“(b) Notwithstanding the provisions of section 604, a*
11 *consumer reporting agency shall, upon request, furnish a*
12 *consumer report to the Federal Bureau of Investigation, if*
13 *the Director of the Federal Bureau of Investigation, or the*
14 *Director’s designee, certifies in writing to the consumer re-*
15 *porting agency that such records are sought in connection*
16 *with an authorized foreign counterintelligence investigation*
17 *and that there are specific and articulable facts giving rea-*
18 *son to believe that the person to whom the requested*
19 *consumer report relates is an agent of a foreign power, as*
20 *defined in section 101 of the Foreign Intelligence Surveil-*
21 *lance Act of 1978 (50 U.S.C. 1801).*

22 *“(c) Notwithstanding the provisions of section 604, a*
23 *consumer reporting agency shall furnish identifying infor-*
24 *mation respecting any consumer, limited to name, address,*
25 *former addresses, places of employment, or former places*
26 *of employment, to a representative of the Federal Bureau*

1 *of Investigation when presented with a written request*
 2 *signed by the Director of the Federal Bureau of Investiga-*
 3 *tion, or the Director's designee, stating that the information*
 4 *is necessary to the conduct of an authorized foreign counter-*
 5 *intelligence investigation.*

6 “(d) No consumer reporting agency, or officer, em-
 7 ployee, or agent of such institution shall disclose to any per-
 8 son that the Federal Bureau of Investigation has sought or
 9 obtained a consumer report or identifying information re-
 10 specting any consumer under this section.

11 “(e) On an annual basis the Director of the Federal
 12 Bureau of Investigation shall fully inform the Permanent
 13 Select Committee on Intelligence of the House of Represent-
 14 atives and the Select Committee on Intelligence of the Sen-
 15 ate concerning all requests made under subsections (b) and
 16 (c).”.

17 **SEC. 1012. TO PROVIDE FOR REWARDS FOR INFORMATION**
 18 **CONCERNING ESPIONAGE.**

19 (a) *IN GENERAL.*—Chapter 204 of title 18, United
 20 States Code, is amended—

21 (1) by inserting at the end of the chapter head-
 22 ing “**AND ESPIONAGE**”;

23 (2) in section 3071, by inserting “(a)” imme-
 24 diately before “With respect to”;

1 (3) in section 3071, adding at the end thereof the
2 following new subsection:

3 “(b) With respect to acts of espionage involving or di-
4 rected at United States information classified in the inter-
5 est of national security, the Attorney General may reward
6 any individual who furnishes information—

7 “(1) leading to the arrest or conviction, in any
8 country, of any individual or individuals for commis-
9 sion of an act of espionage against the United States;

10 “(2) leading to the arrest or conviction, in any
11 country, of any individual or individuals for conspir-
12 ing or attempting to commit an act of espionage
13 against the United States; or

14 “(3) leading to the prevention or frustration of
15 an act of espionage against the United States.”.

16 (b) AMOUNT OF REWARDS.—Section 3072 of title 18,
17 United States Code, is amended by striking out “\$500,000”
18 and inserting in lieu thereof “\$1,000,000”.

19 (c) DEFINITIONS.—Section 3077 of title 18, United
20 States Code, is amended by inserting at the end thereof the
21 following new paragraphs:

22 “(8) ‘act of espionage’ means an activity that is
23 a violation of sections 794, 794a (as added by section
24 1006 of the Counterintelligence Improvements Act of
25 1994), 798, or 799a (as added by section 1005 of the

1 Counterintelligence Improvements Act of 1994) of this
 2 title or section 783 of title 50, United States Code.

3 “(9) ‘United States information classified in the
 4 interests of national security’ means information
 5 originated, owned, or possessed by the United States
 6 Government concerning the national defense and for-
 7 eign relations of the United States that has been de-
 8 termined pursuant to law or Executive order to re-
 9 quire protection against unauthorized disclosure and
 10 that has been so designated.”.

11 **SEC. 1013. TO PROVIDE A COURT ORDER PROCESS FOR**
 12 **PHYSICAL SEARCHES UNDERTAKEN FOR FOR-**
 13 **EIGN INTELLIGENCE PURPOSES.**

14 The Foreign Intelligence Surveillance Act of 1978 is
 15 amended by inserting at the end thereof the following new
 16 title:

17 “TITLE IV—PHYSICAL SEARCHES WITHIN THE
 18 UNITED STATES FOR FOREIGN INTEL-
 19 LIGENCE PURPOSES

20 “AUTHORIZATION OF PHYSICAL SEARCHES FOR FOREIGN
 21 INTELLIGENCE PURPOSES

22 “SEC. 401. (a) Applications for a court order under
 23 this title are authorized if the President has, in writing,
 24 empowered the Attorney General to approve applications
 25 to the Foreign Intelligence Surveillance Court, and a judge

1 *of that court to whom application is made may, notwith-*
2 *standing any other law, grant an order, in conformity with*
3 *section 403, approving a physical search in the United*
4 *States, for the purpose of collecting foreign intelligence in-*
5 *formation of—*

6 “(1) the property, information or material of a
7 foreign power as defined in section 101(a)(1), (2),
8 and (3) of this Act, or

9 “(2) the premises, property, information or ma-
10 terial of an agent of a foreign power or a foreign
11 power as defined in section 101(a)(4), (5), and (6) of
12 this Act.

13 “(b) The Foreign Intelligence Surveillance Court shall
14 have jurisdiction to hear applications for and grant orders
15 approving a physical search for the purpose of obtaining
16 foreign intelligence information anywhere within the Unit-
17 ed States under the procedures set forth in this title, except
18 that no judge shall hear the same application which has
19 been denied previously by another judge. If any judge denies
20 an application for an order authorizing a physical search
21 under this title, such judge shall provide immediately for
22 the record a written statement of each reason for his deci-
23 sion and, on motion of the United States, the record shall
24 be transmitted, under seal, to the Court of Review.

1 “(c) The Court of Review shall have jurisdiction to re-
2 view the denial of any application made under this title.
3 If such court determines that the application was properly
4 denied, the Court shall immediately provide for the record
5 a written statement of each reason for its decision and, on
6 petition of the United States for a writ of certiorari, the
7 record shall be transmitted under seal to the Supreme
8 Court, which shall have jurisdiction to review such decision.

9 “(d) Judicial proceedings under this title shall be con-
10 cluded as expeditiously as possible. The record of proceed-
11 ings under this title, including applications made and or-
12 ders granted, shall be maintained under security measures
13 established by the Chief Justice of the United States in con-
14 sultation with the Attorney General and the Director of
15 Central Intelligence.

16 “APPLICATION FOR AN ORDER

17 “SEC. 402. (a) Each application for an order approv-
18 ing a physical search under this title shall be made by a
19 Federal officer in writing upon oath or affirmation to a
20 judge of the Foreign Intelligence Surveillance Court. Each
21 application shall require the approval of the Attorney Gen-
22 eral based upon the Attorney General’s finding that it satis-
23 fied the criteria and requirements for such application as
24 set forth in this title. It shall include—

25 “(1) the identity, if known, or a description of
26 the target of the search;

1 “(2) the authority conferred on the Attorney
2 General by the President of the United States and the
3 approval of the Attorney General to make the applica-
4 tion;

5 “(3) the identity of the Federal officer making
6 the application and a detailed description of the
7 premises or property to be searched and of the infor-
8 mation, material, or property to be seized, repro-
9 duced, or altered;

10 “(4) a statement of the facts and circumstances
11 relied upon by the applicant to justify the applicant’s
12 belief that—

13 “(A) the target of the physical search is a
14 foreign power or an agent of a foreign power;

15 “(B) the premises or property to be searched
16 contains foreign intelligence information;

17 “(C) the premises or property to be searched
18 is owned, used, possessed by, or is in transit to
19 or from a foreign power or an agent of a foreign
20 power;

21 “(5) a statement of the proposed minimization
22 procedures;

23 “(6) a statement of the manner in which the
24 physical search is to be conducted;

1 “(7) a statement of the facts concerning all pre-
2 vious applications that have been made to any judge
3 under this title involving any of the persons, prem-
4 ises, or property specified in the application, and the
5 action taken on each previous applications;

6 “(8) a statement of the facts concerning any
7 search described in section 406(b), below, which in-
8 volves any of the persons, premises, or property speci-
9 fied in the application; and

10 “(9) a statement that the purpose of the physical
11 search is to obtain foreign intelligence information.

12 “(b) The judge may require the applicant to furnish
13 such other information as may be necessary to make the
14 determinations required by section 403.

15 “ISSUANCE OF AN ORDER

16 “SEC. 403. (a) Upon an application made pursuant
17 to section 402, the judge shall enter an *ex parte* order as
18 requested or as modified approving the physical search if
19 the judge finds that—

20 “(1) the President has authorized the Attorney
21 General to approve applications for physical searches
22 for foreign intelligence purposes;

23 “(2) the application has been made by a Federal
24 officer and approved by the Attorney General;

25 “(3) on the basis of the facts submitted by the
26 applicant there is probable cause to believe that—

1 “(A) the target of the physical search is a
2 foreign power or an agent of a foreign power:
3 *Provided, That no United States person may be*
4 *considered an agent of a foreign power solely*
5 *upon the basis of activities protected by the first*
6 *amendment to the Constitution of the United*
7 *States;*

8 “(B) the premises or property to be searched
9 are owned, used, possessed by, or is in transit to
10 or from an agent of a foreign power or a foreign
11 power; and

12 “(C) physical search of such premises or
13 property can reasonably be expected to yield for-
14 eign intelligence information which cannot rea-
15 sonably be obtained by normal investigative
16 means; and

17 “(4) the proposed minimization procedures meet
18 the definition of minimization contained in this title;
19 and

20 “(5) the application which has been filed con-
21 tains all statements required by section 402.

22 “(b) An order approving a physical search under this
23 section shall—

24 “(1) specify—

1 “(A) the Federal officer or officers author-
2 ized to conduct the physical search and the iden-
3 tity, if known, or a description of the target of
4 the physical search;

5 “(B) the premises or property to be searched
6 and the information, material, or property to be
7 seized, altered, or reproduced;

8 “(C) the type of foreign intelligence infor-
9 mation sought to be acquired; and

10 “(D) a statement of the manner in which
11 the physical search is to be conducted and, when-
12 ever more than one physical search is authorized
13 under the order, the authorized scope of each
14 search and what minimization procedures shall
15 apply to the information acquired by each
16 search;

17 “(2) direct—

18 “(A) that the minimization procedures be
19 followed;

20 “(B) that, upon the request of the applicant,
21 a specified landlord, custodian, or other specified
22 person furnish the applicant forthwith all infor-
23 mation, facilities, or assistance necessary to ac-
24 complish the physical search in such a manner
25 as will protect its secrecy and produce a mini-

1 *mum of interference with the activities of the*
2 *landlord, custodian, or other person; and that*
3 *such landlord, custodian or other person main-*
4 *tain under security procedures approved by the*
5 *Attorney General and the Director of Central In-*
6 *telligence any records concerning the search or*
7 *the aid furnished that such person wishes to re-*
8 *tain;*

9 *“(C) that the physical search be undertaken*
10 *within 30 days of the date of the order, or, if the*
11 *physical search is of the property, information or*
12 *material of a foreign power as defined in section*
13 *101(a)(1), (2), or (3) of this Act, that such search*
14 *be undertaken within one year of the order; and*

15 *“(D) that the federal officer conducting the*
16 *physical search promptly report to the court the*
17 *circumstances and results of the physical search.*

18 *“(c) At any time after a physical search has been car-*
19 *ried out, the judge to whom the return has been made may*
20 *assess compliance with the minimization procedures by re-*
21 *viewing the circumstances under which information con-*
22 *cerning United States persons was acquired, retained, or*
23 *disseminated.*

1 “(d) Application made and orders granted under this
2 title shall be retained for a period of at least ten years from
3 the date of the application.

4 “(e) Not more than 60 days after a physical search
5 of the residence of a United States person authorized by
6 this title, or such a search in the circumstances described
7 in section 406(b), has been conducted, the Attorney General
8 shall provide the United States person with an inventory
9 which shall include—

10 “(1) existence or not of a court order authorizing
11 the physical search and the date of the order;

12 “(2) the date of the physical search and an iden-
13 tification of the premises or property searched; and

14 “(3) a list of any information, material, or
15 property seized, altered, or reproduced.

16 “(f) On an ex parte showing of good cause by the Attor-
17 ney General to a judge of the Foreign Intelligence Surveil-
18 lance Court the provision of the inventory required by sub-
19 section (e) may be postponed for a period not to exceed 90
20 days. At the end of such period the provision of the inven-
21 tory may, upon a similar showing, be postponed indefi-
22 nitely. The denial of a request for such postponements may
23 be reviewed as provided in section 401.

24 “USE OF INFORMATION

25 “SEC. 404. (a) Information acquired from a physical
26 search conducted pursuant to this title concerning any

1 *United States person may be used and disclosed by Federal*
2 *officers and employees without the consent of the United*
3 *States person only in accordance with the minimization*
4 *procedures required by this title. No information acquired*
5 *from a physical search pursuant to this title may be used*
6 *or disclosed by Federal officers or employees except for law-*
7 *ful purposes.*

8 “(b) *No information acquired pursuant to this title*
9 *shall be disclosed for law enforcement purposes unless such*
10 *disclosure is accompanied by a statement that such infor-*
11 *mation, or any information derived therefrom, may only*
12 *be used in a criminal proceeding with the advance author-*
13 *ization of the Attorney General.*

14 “(c) *Whenever the United States intends to enter into*
15 *evidence or otherwise use or disclose in any trial, hearing,*
16 *or other proceeding in or before any court, department, offi-*
17 *cer, agency, regulatory body, or other authority of the Unit-*
18 *ed States, against an aggrieved person, any information ob-*
19 *tained or derived from a physical search of the premises*
20 *or property of that aggrieved person pursuant to the author-*
21 *ity of this title, the United States shall, prior to the trial,*
22 *hearing, or the other proceeding or at a reasonable time*
23 *prior to an effort to so disclose or so use that information*
24 *or submit it in evidence, notify the aggrieved person and*
25 *the court or other authority in which the information is*

1 *to be disclosed or used that the United States intends to*
2 *so disclose or so use such information.*

3 “(d) *Whenever any State or political subdivision there-*
4 *of intends to enter into evidence or otherwise use of disclose*
5 *in any trial, hearing, or other proceeding in or before any*
6 *court, department, officer, agency, regulatory body, or other*
7 *authority of a State or a political subdivision thereof*
8 *against an aggrieved person any information obtained or*
9 *derived from a physical search of the premises or property*
10 *of that aggrieved person pursuant to the authority of this*
11 *title, the State or political subdivision thereof shall notify*
12 *the aggrieved person, the court or other authority in which*
13 *the information is to be disclosed or used, and the Attorney*
14 *General that the State or political subdivision thereof in-*
15 *tends to so disclose or so use such information.*

16 “(e) *Any person against whom evidence obtained or*
17 *derived from a physical search to which he is an aggrieved*
18 *person is to be, or has been, introduced or otherwise used*
19 *or disclosed in any trial, hearing, or other proceeding in*
20 *or before any court, department, officer, agency, regulatory*
21 *body, or other authority of the United States, a State, or*
22 *a political subdivision thereof, may move to suppress the*
23 *evidence obtained or derived from such search on the*
24 *grounds that—*

25 “(1) *the information was unlawfully acquired; or*

1 “(2) the physical search was not made in con-
2 formity with an order of authorization or approval.
3 Such a motion shall be made before the trial, hearing, or
4 other proceeding unless there was no opportunity to make
5 such a motion or the person was not aware of the grounds
6 of the motion.

7 “(f) Whenever a court of other authority is notified
8 pursuant to subsection (c) or (d), or whenever a motion is
9 made pursuant to subsection (e), or whenever any motion
10 or request is made by an aggrieved person pursuant to any
11 other statute or rule of the United States or any State before
12 any court or other authority of the United States or any
13 State to discover or obtain applications or orders or other
14 materials relating to a physical search authorized by this
15 title or to discover, obtain, or suppress evidence or informa-
16 tion obtained or derived from a physical search authorized
17 by this title, the United States district court or, where the
18 motion is made before another authority, the United States
19 district court in the same district as the authority shall,
20 notwithstanding any other law, if the Attorney General files
21 an affidavit under oath that disclosure or an adversary
22 hearing would harm the national security of the United
23 States, review in camera and ex parte the application,
24 order, and such other materials relating to the physical
25 search as may be necessary to determine whether the phys-

1 ical search of the aggrieved person was lawfully authorized
2 and conducted. In making this determination, the court
3 may disclose to the aggrieved person, under appropriate se-
4 curity procedures and protective orders, portions of the ap-
5 plication, order, or other materials relating to the physical
6 search only where such disclosure is necessary to make an
7 accurate determination of the legality of the physical search.

8 “(g) If the United States district court pursuant to
9 subsection (f) determines that the physical search was not
10 lawfully authorized or conducted, it shall, in accordance
11 with the requirements of law, suppress the evidence which
12 was unlawfully obtained or derived from the physical search
13 of the aggrieved person or otherwise grant the motion of
14 the aggrieved person. If the court determines that the phys-
15 ical search was lawfully authorized or conducted, it shall
16 deny the motion of the aggrieved person except to the extent
17 that due process requires discovery or disclosure.

18 “(h) Orders granting motions or requests under sub-
19 section (g), decisions under this section that a physical
20 search was not lawfully authorized or conducted, and orders
21 of the United States district court requiring review or
22 granting disclosure of applications, orders or other mate-
23 rials relating to the physical search shall be final orders
24 and binding upon all courts of the United States and the

1 *several States except a United States court of appeals and*
2 *the Supreme Court.*

3 “(i) *The provisions of this section regarding the use*
4 *or disclosure of information obtained or derived from a*
5 *physical search shall apply to information obtained or de-*
6 *rived from a search conducted without a court order to ob-*
7 *tain foreign intelligence information which is not a phys-*
8 *ical search as defined in this title solely because the exist-*
9 *ence of exigent circumstances would not require a warrant*
10 *for law enforcement purposes.*

11 “OVERSIGHT

12 “SEC. 405. (a) *On a semiannual basis the Attorney*
13 *General shall fully inform the House Permanent Select*
14 *Committee on Intelligence and the Senate Select Committee*
15 *on Intelligence concerning all physical searches conducted*
16 *pursuant to this title, and all other searches, except those*
17 *reported under section 108 of this Act, conducted in the*
18 *United States for foreign intelligence purposes. On an an-*
19 *nual basis the Attorney General shall also provide to those*
20 *committees a report setting forth with respect to the preced-*
21 *ing calendar year—*

22 “(1) *the total number of applications made for*
23 *orders approving physical searches under this title;*
24 *and*

25 “(2) *the total number of such orders either grant-*
26 *ed, modified, or denied.*

1 “(b) Whenever a search is conducted without a court
2 order to obtain foreign intelligence information which is not
3 a physical search as defined in this title solely because the
4 existence of exigent circumstances would not require a war-
5 rant for law enforcement purposes, a full report of such
6 search, including a description of the exigent circumstances,
7 shall be maintained by the Attorney General. Each such
8 report shall be transmitted to the Foreign Intelligence Sur-
9 veillance Court promptly after the search is conducted.

10 “AUTHORITY FOR INTELLIGENCE SEARCHES

11 “SEC. 406. (a) The procedures contained in this title
12 shall be the exclusive means by which a physical search,
13 as defined in this title, may be conducted in the United
14 States for foreign intelligence purposes, and an order issued
15 under this title authorizing a physical search shall con-
16 stitute a search warrant authorized by law for purposes of
17 any other law.

18 “(b) Searches conducted in the United States to collect
19 foreign intelligence information, other than physical
20 searches as defined in this title and electronic surveillance
21 as defined in this Act, and physical searches conducted in
22 the United States without a court order to collect foreign
23 intelligence information may be conducted only pursuant
24 to regulations issued by the Attorney General. Such regula-
25 tions, and any changes thereto, shall be provided to the Se-
26 lect Committee on Intelligence of the Senate and the Perma-

1 *ment Select Committee on Intelligence of the House of Rep-*
2 *resentatives at least 14 days prior to the taking effect. Any*
3 *regulations issued by the Attorney General regarding such*
4 *searches which were in effect as of June 1, 1990, shall be*
5 *deemed to be regulations required by this subsection.*

6 *“PENALTIES*

7 *“SEC. 407. (a) OFFENSE.—A person is guilty of an*
8 *offense if he intentionally—*

9 *“(1) under color of law for the purpose of obtain-*
10 *ing foreign intelligence information, engages in phys-*
11 *ical search within the United States except as author-*
12 *ized by statute; or*

13 *“(2) discloses or uses information obtained under*
14 *color of law by physical search within the United*
15 *States, knowing or having reason to know that the in-*
16 *formation was obtained through physical search not*
17 *authorized by statute, for the purpose of obtaining in-*
18 *telligence information.*

19 *“(b) DEFENSE.—It is a defense to a prosecution under*
20 *subsection (a) that the defendant was a law enforcement*
21 *or investigative officer engaged in the course of his official*
22 *duties and the physical search was authorized by and con-*
23 *ducted pursuant to a search warrant or court order of a*
24 *court of competent jurisdiction.*

1 “(c) *PENALTY.*—An offense described in this section is
 2 punishable by a fine of not more than \$10,000 or imprison-
 3 ment for not more than five years, or both.

4 “(d) *JURISDICTION.*—There is Federal jurisdiction
 5 over an offense under this section if the person committing
 6 the offense was an officer or employee of the United States
 7 at the time the offense was committed.

8 “*CIVIL LIABILITY*

9 “*SEC. 408. CIVIL ACTION.*—An aggrieved person, other
 10 than a foreign power or an agent of a foreign power, as
 11 defined in section 101 (a) or (b)(1)(A), respectively, of this
 12 Act, whose premises, property, information, or material has
 13 been subjected to a physical search within the United States
 14 or about whom information obtained by such a physical
 15 search has been disclosed or used in violation of section 407
 16 shall have a cause of action against any person who com-
 17 mitted such violation and shall be entitled to recover—

18 “(a) actual damages;

19 “(b) punitive damages; and

20 “(c) reasonable attorney’s fees and other inves-
 21 tigative and litigation costs reasonably incurred.

22 “*DEFINITIONS*

23 “*SEC. 409. As used in this title:*

24 “(a) The terms ‘foreign power,’ ‘agent of a for-
 25 eign power,’ ‘international terrorism,’ ‘sabotage,’ ‘for-
 26 eign intelligence information,’ ‘Attorney General,’

1 *‘United States person,’ ‘United States,’ ‘person,’ and*
2 *‘State’ shall have the same meaning as in Section 101*
3 *of this Act.*

4 *“(b) ‘Physical search’ means any physical intru-*
5 *sion into premises or property (including examina-*
6 *tion of the interior of property by technical means)*
7 *or any seizure, reproduction or alteration of informa-*
8 *tion, material or property, under circumstances in*
9 *which a person has a reasonable expectation of pri-*
10 *vacv and a warrant would be required for law en-*
11 *forcement purposes, but does not include ‘electronic*
12 *surveillance’ as defined in subsection 101(f) of this*
13 *Act.*

14 *“(c) ‘Minimization procedures’ with respect to*
15 *physical search, means—*

16 *“(1) specific procedures, which shall be*
17 *adopted by the Attorney General, that are rea-*
18 *sonably designed in light of the purposes and*
19 *technique of the particular physical search, to*
20 *minimize the acquisition and retention, and pro-*
21 *hibit the dissemination, of non-publicly available*
22 *information concerning unconsenting United*
23 *States persons consistent with the need of the*
24 *United States persons consistent with the need of*

1 the United States to obtain, produce, and dis-
2 seminate foreign intelligence information;

3 “(2) procedures that require that non-pub-
4 licly available information, which is not foreign
5 intelligence information, as defined in subsection
6 101(e)(1) of this Act, shall not be disseminated
7 in a manner that identifies any United States
8 person, without such person’s consent, unless
9 such person’s identity is necessary to understand
10 such foreign intelligence information or assess its
11 importance; and

12 “(3) notwithstanding paragraphs (1) and
13 (2), procedures that allow for the retention and
14 dissemination of information that is evidence of
15 a crime which has been, is being, or is about to
16 be committed and that is to be retained or dis-
17 seminated for law enforcement purposes.”

18 “(d) ‘Aggrieved person’ means a person whose
19 premises, property, information, or material is the
20 target of physical search or any other person whose
21 premises, property, information, or material was sub-
22 ject to physical search.

23 “(e) ‘Foreign Intelligence Surveillance Court’
24 means the court established by section 103(a) of this
25 Act.

1 “(f) ‘Court of Review’ means the court estab-
2 lished by section 103(b) of this Act.

3 “EFFECTIVE DATE

4 “SEC. 410. The provisions of this title shall become ef-
5 fective 90 days after the date of enactment of this title, ex-
6 cept that any physical search approved by the Attorney
7 General to gather foreign intelligence information shall not
8 be deemed unlawful for failure to follow the procedures of
9 this title, if that search is conducted within 180 days follow-
10 ing the date of enactment of this title pursuant to regula-
11 tions issued by the Attorney General, which are in the pos-
12 session of the Select Committee on Intelligence of the Senate
13 and the Permanent Select Committee on Intelligence of the
14 House of Representatives prior to the date of enactment.”.

15 **TITLE XI—LOCAL EMPOWER-**
16 **MENT AND FLEXIBILITY**

17 **SEC. 1101. SHORT TITLE.**

18 This title may be cited as the “Local Empowerment
19 and Flexibility Act of 1994”.

20 **SEC. 1102. FINDINGS.**

21 The Congress finds that—

22 (1) historically, Federal social service programs
23 have addressed the Nation’s social problems by pro-
24 viding categorical assistance with detailed require-
25 ments relating to the use of funds;

1 (2) while the assistance described in paragraph
2 (1) has been directed at critical problems, some pro-
3 gram requirements may inadvertently impede the ef-
4 fective delivery of social services;

5 (3) the Nation's local governments and private,
6 nonprofit organizations are dealing with increasingly
7 complex social problems which require the delivery of
8 many kinds of social services;

9 (4) the Nation's communities are diverse, and
10 different social needs are present in different commu-
11 nities;

12 (5) it is more important than ever to provide
13 programs that—

14 (A) promote local delivery of social services
15 to meet the full range of needs of individuals and
16 families;

17 (B) respond flexibly to the diverse needs of
18 the Nation's communities;

19 (C) reduce the barriers between programs
20 that impede local governments' ability to effec-
21 tively deliver social services; and

22 (D) empower local governments and pri-
23 vate, nonprofit organizations to be innovative in
24 creating programs that meet the unique needs of

1 *the people in their communities while continuing*
2 *to address national social service goals; and*
3 *(6) many communities have innovative planning*
4 *and community involvement strategies for social serv-*
5 *ices, but Federal, State, and local regulations often*
6 *hamper full implementation of local plans.*

7 **SEC. 1103. PURPOSES.**

8 *The purposes of this title are to—*

9 *(1) enable more efficient use of Federal, State,*
10 *and local resources;*

11 *(2) place less emphasis in Federal social service*
12 *programs on measuring resources and procedures and*
13 *more emphasis on achieving Federal, State, and local*
14 *social services goals;*

15 *(3) enable local governments and private, non-*
16 *profit organizations to adapt programs of Federal as-*
17 *sistance to the particular needs of low income citizens*
18 *and the operating practices of recipients, by—*

19 *(A) drawing upon appropriations available*
20 *from more than one Federal program; and*

21 *(B) integrating programs and program*
22 *funds across existing Federal assistance cat-*
23 *egories; and*

24 *(4) enable local governments and private, non-*
25 *profit organizations to work together and build*

1 *stronger cooperative partnerships to address critical*
2 *social service problems.*

3 **SEC. 1104. DEFINITIONS.**

4 *For purposes of this Act—*

5 (1) *the term “approved local flexibility plan”*
6 *means a local flexibility plan that combines funds*
7 *from Federal, State, local government or private*
8 *sources to address the social service needs of a commu-*
9 *nity (or any part of such a plan) that is approved*
10 *by the Community Enterprise Board under section*
11 *1106;*

12 (2) *the term “community advisory committee”*
13 *means such a committee established by a local govern-*
14 *ment under section 1110;*

15 (3) *the term “Community Enterprise Board”*
16 *means the board established by the President that is*
17 *composed of the—*

18 (A) *Vice President;*

19 (B) *Assistant to the President for Domestic*
20 *Policy;*

21 (C) *Assistant to the President for Economic*
22 *Policy;*

23 (D) *Secretary of the Treasury;*

24 (E) *Attorney General;*

25 (F) *Secretary of the Interior;*

1 (G) Secretary of Agriculture;

2 (H) Secretary of Commerce;

3 (I) Secretary of Labor;

4 (J) Secretary of Health and Human Serv-
5 ices;

6 (K) Secretary of Housing and Urban Devel-
7 opment;

8 (L) Secretary of Transportation;

9 (M) Secretary of Education;

10 (N) Administrator of the Environmental
11 Protection Agency;

12 (O) Director of National Drug Control Pol-
13 icy;

14 (P) Administrator of the Small Business
15 Administration;

16 (Q) Director of the Office of Management
17 and Budget; and

18 (R) Chair of the Council of Economic Ad-
19 visers.

20 (4) the term “covered Federal assistance pro-
21 gram” means an eligible Federal assistance program
22 that is included in a local flexibility plan of a local
23 government;

24 (5) the term “eligible Federal assistance pro-
25 gram”—

1 (A) means a Federal program under which
2 assistance is available, directly or indirectly, to
3 a local government or a qualified organization to
4 carry out a program for—

5 (i) economic development;

6 (ii) employment training;

7 (iii) health;

8 (iv) housing;

9 (v) nutrition;

10 (vi) other social services; or

11 (vii) rural development; and

12 (B) does not include a Federal program
13 under which assistance is provided by the Fed-
14 eral Government directly to a beneficiary of that
15 assistance or to a State as a direct payment to
16 an individual;

17 (6) the term “eligible local government” means a
18 local government that is eligible to receive assistance
19 under 1 or more covered Federal programs;

20 (7) the term “local flexibility plan” means a
21 comprehensive plan for the integration and adminis-
22 tration by a local government of assistance provided
23 by the Federal Government under 2 or more eligible
24 Federal assistance programs;

1 (8) the term “local government” means a sub-
2 division of a State that is a unit of general local gov-
3 ernment (as defined under section 6501 of title 31,
4 United States Code);

5 (9) the term “low income” means having an in-
6 come that is not greater than 200 percent of the Fed-
7 eral poverty income level;

8 (10) the term “priority funding” means giving
9 higher priority (including by the assignment of extra
10 points, if applicable) to applications for Federal as-
11 sistance submitted by a local government having an
12 approved local flexibility program, by—

13 (A) a person located in the jurisdiction of
14 such a government; or

15 (B) a qualified organization eligible for as-
16 sistance under a covered Federal assistance pro-
17 gram included in such a plan;

18 (11) the term “qualified organization” means a
19 private, nonprofit organization described in section
20 501(c)(3) of the Internal Revenue Code of 1986 that
21 is exempt from taxation under section 501(a) of the
22 Internal Revenue Code of 1986; and

23 (12) the term “State” means the 50 States, the
24 District of Columbia, Puerto Rico, American Samoa,
25 Guam, and the Virgin Islands.

1 **SEC. 1105. DEMONSTRATION PROGRAM.**

2 *The Community Enterprise Board shall—*

3 *(1) establish and administer a local flexibility*
4 *demonstration program by approving local flexibility*
5 *plans in accordance with the provisions of this title;*

6 *(2) no later than 180 days after the date of the*
7 *enactment of this Act, select no more than 30 local*
8 *governments from no more than 6 States to partici-*
9 *pate in such program, of which—*

10 *(A) 3 States shall each have a population of*
11 *3,500,000 or more as determined under the most*
12 *recent decennial census; and*

13 *(B) 3 States shall each have a population of*
14 *3,500,000 or less as determined under the most*
15 *recent decennial census.*

16 **SEC. 1106. PROVISION OF FEDERAL ASSISTANCE IN AC-**
17 **CORDANCE WITH APPROVED LOCAL FLEXI-**
18 **BILITY PLAN.**

19 *(a) PAYMENTS TO LOCAL GOVERNMENTS.—Notwith-*
20 *standing any other provision of law, amounts available to*
21 *a local government or a qualified organization under a cov-*
22 *ered Federal assistance program included in an approved*
23 *local flexibility plan shall be provided to and used by the*
24 *local government or organization in accordance with the*
25 *approved local flexibility plan.*

1 (b) *ELIGIBILITY FOR BENEFITS.*—An individual or
2 family that is eligible for benefits or services under a cov-
3 ered Federal assistance program included in an approved
4 local flexibility plan may receive those benefits only in ac-
5 cordance with the approved local flexibility plan.

6 **SEC. 1107. APPLICATION FOR APPROVAL OF LOCAL FLEXI-**
7 **BILITY PLAN.**

8 (a) *IN GENERAL.*—A local government may submit to
9 the Community Enterprise Board in accordance with this
10 section an application for approval of a local flexibility
11 plan.

12 (b) *CONTENTS OF APPLICATION.*—An application sub-
13 mitted under this section shall include—

14 (1) a proposed local flexibility plan that com-
15 plies with subsection (c);

16 (2) certification by the chief executive of the local
17 government, and such additional assurances as may
18 be required by the Community Enterprise Board,
19 that—

20 (A) the local government has the ability and
21 authority to implement the proposed plan, di-
22 rectly or through contractual or other arrange-
23 ments, throughout the geographic area in which
24 the proposed plan is intended to apply;

1 (B) amounts are available from non-Federal
2 sources to pay the non-Federal share of all cov-
3 ered Federal assistance programs included in the
4 proposed plan; and

5 (C) low income individuals and families
6 that reside in that geographic area participated
7 in the development of the proposed plan;

8 (3) any comments on the proposed plan submit-
9 ted under subsection (d) by the Governor of the State
10 in which the local government is located;

11 (4) public comments on the plan including the
12 transcript of at least 1 public hearing and comments
13 of the appropriate community advisory committee es-
14 tablished under section 1110; and

15 (5) other relevant information the Community
16 Enterprise Board may require to approve the pro-
17 posed plan.

18 (c) *CONTENTS OF PLAN.*—A local flexibility plan sub-
19 mitted by a local government under this section shall in-
20 clude—

21 (1) the geographic area to which the plan applies
22 and the rationale for defining the area;

23 (2) the particular groups of individuals, by age,
24 service needs, economic circumstances, or other defin-

1 *ing factors, who shall receive services and benefits*
2 *under the plan;*

3 *(3)(A) specific goals and measurable performance*
4 *criteria, a description of how the plan is expected to*
5 *attain those goals and criteria;*

6 *(B) a description of how performance shall be*
7 *measured; and*

8 *(C) a system for the comprehensive evaluation of*
9 *the impact of the plan on participants, the commu-*
10 *nity, and program costs;*

11 *(4) the eligible Federal assistance programs to be*
12 *included in the plan as covered Federal assistance*
13 *programs and the specific benefits that shall be pro-*
14 *vided under the plan under such programs, includ-*
15 *ing—*

16 *(A) criteria for determining eligibility for*
17 *benefits under the plan;*

18 *(B) the services available;*

19 *(C) the amounts and form (such as cash, in-*
20 *kind contributions, or financial instruments) of*
21 *nonservice benefits; and*

22 *(D) any other descriptive information the*
23 *Community Enterprise Board considers nec-*
24 *essary to approve the plan;*

1 (5) *except for the requirements under section*
2 *1109(b)(3), any Federal statutory or regulatory re-*
3 *quirement applicable under a covered Federal assist-*
4 *ance program included in the plan, the waiver of*
5 *which is necessary to implement the plan;*

6 (6) *fiscal control and related accountability pro-*
7 *cedures applicable under the plan;*

8 (7) *a description of the sources of all non-Federal*
9 *funds that are required to carry out covered Federal*
10 *assistance programs included in the plan;*

11 (8) *written consent from each qualified organiza-*
12 *tion for which consent is required under section*
13 *1107(b)(2); and*

14 (9) *other relevant information the Community*
15 *Enterprise Board may require to approve the plan.*

16 (d) *PROCEDURE FOR APPLYING.—(1) To apply for ap-*
17 *proval of a local flexibility plan, a local government shall*
18 *submit an application in accordance with this section to*
19 *the Governor of the State in which the local government*
20 *is located.*

21 (2) *A Governor who receives an application from a*
22 *local government under paragraph (1) may, by no later*
23 *than 30 days after the date of that receipt—*

24 (A) *prepare comments on the proposed local*
25 *flexibility plan included in the application;*

1 (B) describe any State laws which are necessary
2 to waive for successful implementation of a local
3 plan; and

4 (C) submit the application and comments to the
5 Community Enterprise Board.

6 (3) If a Governor fails to act within 30 days after re-
7 ceiving an application under paragraph (2), the applicable
8 local government may submit the application to the Com-
9 munity Enterprise Board.

10 **SEC. 1108. REVIEW AND APPROVAL OF LOCAL FLEXIBILITY**
11 **PLANS.**

12 (a) REVIEW OF APPLICATIONS.—Upon receipt of an
13 application for approval of a local flexibility plan under
14 this title, the Community Enterprise Board shall—

15 (1) approve or disapprove all or part of the plan
16 within 45 days after receipt of the application;

17 (2) notify the applicant in writing of that ap-
18 proval or disapproval by not later than 15 days after
19 the date of that approval or disapproval; and

20 (3) in the case of any disapproval of a plan, in-
21 clude a written justification of the reasons for dis-
22 approval in the notice of disapproval sent to the
23 applicant.

24 (b) APPROVAL.—(1) The Community Enterprise
25 Board may approve a local flexibility plan for which an

1 *application is submitted under this title, or any part of*
2 *such a plan, if a majority of members of the Board deter-*
3 *mines that—*

4 (A) *the plan or part shall improve the effective-*
5 *ness and efficiency of providing benefits under covered*
6 *Federal programs included in the plan by reducing*
7 *administrative inflexibility, duplication, and unnec-*
8 *essary expenditures;*

9 (B) *the applicant local government has ade-*
10 *quately considered, and the plan or part of the plan*
11 *appropriately addresses, any effect that administra-*
12 *tion of each covered Federal program under the plan*
13 *or part of the plan shall have on administration of*
14 *the other covered Federal programs under that plan*
15 *or part of the plan;*

16 (C) *the applicant local government has or is de-*
17 *veloping data bases, planning, and evaluation proc-*
18 *esses that are adequate for implementing the plan or*
19 *part of the plan;*

20 (D) *the plan shall more effectively achieve Fed-*
21 *eral assistance goals at the local level and shall better*
22 *meet the needs of local citizens;*

23 (E) *implementation of the plan or part of the*
24 *plan shall adequately achieve the purposes of this title*

1 *and of each covered Federal assistance program under*
2 *the plan or part of the plan;*

3 *(F) the plan and the application for approval of*
4 *the plan comply with the requirements of this title;*

5 *(G) the plan or part of the plan is adequate to*
6 *ensure that individuals and families that receive ben-*
7 *efits under covered Federal assistance programs in-*
8 *cluded in the plan or part shall continue to receive*
9 *benefits that meet the needs intended to be met under*
10 *the program;*

11 *(H) the qualitative level of those benefits shall*
12 *not be reduced for any individual or family; and*

13 *(I) the local government has—*

14 *(i) waived the corresponding local laws nec-*
15 *essary for implementation of the plan; and*

16 *(ii) sought any necessary waivers from the*
17 *State.*

18 *(2) The Community Enterprise Board may not ap-*
19 *prove any part of a local flexibility plan if—*

20 *(A) implementation of that part would result in*
21 *any increase in the total amount of obligations or*
22 *outlays of discretionary appropriations or direct*
23 *spending under covered Federal assistance programs*
24 *included in that part, over the amounts of such obli-*

1 gations and outlays that would occur under those pro-
2 grams without implementation of the part; or

3 (B) in the case of a plan or part that applies to
4 assistance to a qualified organization under an eligi-
5 ble Federal assistance program, the qualified organi-
6 zation does not consent in writing to the receipt of
7 that assistance in accordance with the plan.

8 (3) The Community Enterprise Board shall dis-
9 approve a part of a local flexibility plan if a majority of
10 the Board disapproves that part of the plan based on a fail-
11 ure of the part to comply with paragraph (1).

12 (4) In approving any part of a local flexibility plan,
13 the Community Enterprise Board shall specify the period
14 during which the part is effective. An approved local flexi-
15 bility plan shall not be effective after the date of the termi-
16 nation of effectiveness of this title under section 1113(a).

17 (5) Disapproval by the Community Enterprise Board
18 of any part of a local flexibility plan submitted by a local
19 government under this title shall not affect the eligibility
20 of a local government, a qualified organization, or any in-
21 dividual for benefits under any Federal program.

22 (c) MEMORANDA OF UNDERSTANDING.—(1) The Com-
23 munity Enterprise Board may not approve a part of a local
24 flexibility plan unless each local government and each
25 qualified organization that would receive assistance under

1 *the plan enters into a memorandum of understanding*
2 *under this subsection with the Community Enterprise*
3 *Board.*

4 (2) *A memorandum of understanding under this sub-*
5 *section shall specify all understandings that have been*
6 *reached by the Community Enterprise Board, the local gov-*
7 *ernment, and each qualified organization that is subject to*
8 *a local flexibility plan, regarding the approval and imple-*
9 *mentation of all parts of a local flexibility plan that are*
10 *the subject of the memorandum, including understandings*
11 *with respect to—*

12 (A) *all requirements under covered Federal as-*
13 *istance programs that are to be waived by the Com-*
14 *munity Enterprise Board under section 1109(b);*

15 (B)(i) *the total amount of Federal funds that*
16 *shall be provided as benefits under or used to admin-*
17 *ister covered Federal assistance programs included in*
18 *those parts; or*

19 (ii) *a mechanism for determining that amount,*
20 *including specification of the total amount of Federal*
21 *funds that shall be provided or used under each cov-*
22 *ered Federal assistance program included in those*
23 *parts;*

1 (C) the sources of all non-Federal funds that
 2 shall be provided as benefits under or used to admin-
 3 ister those parts;

4 (D) measurable performance criteria that shall
 5 be used during the term of those parts to determine
 6 the extent to which the goals and performance levels
 7 of the parts are achieved; and

8 (E) the data to be collected to make that deter-
 9 mination.

10 (d) *LIMITATION ON CONFIDENTIALITY REQUIRE-*
 11 *MENTS.—The Community Enterprise Board may not, as a*
 12 *condition of approval of any part of a local flexibility plan*
 13 *or with respect to the implementation of any part of an*
 14 *approved local flexibility plan, establish any confidentiality*
 15 *requirement that would—*

16 (1) *impede the exchange of information needed*
 17 *for the design or provision of benefits under the parts;*
 18 *or*

19 (2) *conflict with law.*

20 **SEC. 1109. IMPLEMENTATION OF APPROVED LOCAL FLEXI-**
 21 **BILITY PLANS; WAIVER OF REQUIREMENTS.**

22 (a) *PAYMENTS AND ADMINISTRATION IN ACCORDANCE*
 23 *WITH PLAN.—Notwithstanding any other law, any benefit*
 24 *that is provided under a covered Federal assistance pro-*
 25 *gram included in an approved local flexibility plan shall*

1 *be paid and administered in the manner specified in the*
2 *approved local flexibility plan.*

3 (b) *WAIVER OF REQUIREMENTS.—(1) Notwithstand-*
4 *ing any other law and subject to paragraphs (2) and (3),*
5 *the Community Enterprise Board may waive any require-*
6 *ment applicable under Federal law to the administration*
7 *of, or provision of benefits under, any covered Federal as-*
8 *sistance program included in an approved local flexibility*
9 *plan, if that waiver is—*

10 (A) *reasonably necessary for the implementation*
11 *of the plan; and*

12 (B) *approved by a majority of members of the*
13 *Community Enterprise Board.*

14 (2) *The Community Enterprise Board may not waive*
15 *a requirement under this subsection unless the Board finds*
16 *that waiver of the requirement shall not result in a quali-*
17 *tative reduction in services or benefits for any individual*
18 *or family that is eligible for benefits under a covered Fed-*
19 *eral assistance program.*

20 (3) *The Community Enterprise Board may not waive*
21 *any requirement under this subsection—*

22 (A) *that enforces any constitutional or statutory*
23 *right of an individual, including any right under—*

24 (i) *title VI of the Civil Rights Act of 1964*
25 *(42 U.S.C. 2000d et seq.);*

1 (ii) *section 504 of the Rehabilitation Act of*
2 1973 (29 U.S.C. 701 et seq.);

3 (iii) *title IX of the Education Amendments*
4 *of 1972 (86 Stat. 373 et seq.);*

5 (iv) *the Age Discrimination Act of 1975 (42*
6 *U.S.C. 6101 et seq.); or*

7 (v) *the Americans with Disabilities Act of*
8 1990;

9 (B) *for payment of a non-Federal share of fund-*
10 *ing of an activity under a covered Federal assistance*
11 *program; or*

12 (C) *for grants received on a maintenance of ef-*
13 *fort basis.*

14 (c) *SPECIAL ASSISTANCE.—To the extent permitted by*
15 *law, the head of each Federal agency shall seek to provide*
16 *special assistance to a local government or qualified organi-*
17 *zation to support implementation of an approved local*
18 *flexibility plan, including expedited processing, priority*
19 *funding, and technical assistance.*

20 (d) *EVALUATION AND TERMINATION.—(1) A local gov-*
21 *ernment, in accordance with regulations issued by the Com-*
22 *munity Enterprise Board, shall—*

23 (A) *submit such reports on and cooperate in such*
24 *audits of the implementation of its approved local*
25 *flexibility plan; and*

1 (B) periodically evaluate the effect implementa-
2 tion of the plan has had on—

3 (i) individuals who receive benefits under
4 the plan;

5 (ii) communities in which those individuals
6 live; and

7 (iii) costs of administering covered Federal
8 assistance programs included in the plan.

9 (2) No later than 90 days after the end of the 1-year
10 period beginning on the date of the approval by the Commu-
11 nity Enterprise Board of an approved local flexibility plan
12 of a local government, and annually thereafter, the local
13 government shall submit to the Community Enterprise
14 Board a report on the principal activities and achievements
15 under the plan during the period covered by the report,
16 comparing those achievements to the goals and performance
17 criteria included in the plan under section 1107(c)(3).

18 (3)(A) If the Community Enterprise Board, after con-
19 sultation with the head of each Federal agency responsible
20 for administering a covered Federal assistance program in-
21 cluded in an approved local flexibility plan of a local gov-
22 ernment, determines—

23 (i) that the goals and performance criteria in-
24 cluded in the plan under section 1107(c)(3) have not
25 been met; and

1 (ii) after considering any experiences gained in
2 implementation of the plan, that those goals and cri-
3 teria are sound;

4 the Community Enterprise Board may terminate the effec-
5 tiveness of the plan.

6 (B) In terminating the effectiveness of an approved
7 local flexibility plan under this paragraph, the Community
8 Enterprise Board shall allow a reasonable period of time
9 for appropriate Federal, State, and local agencies and
10 qualified organizations to resume administration of Federal
11 programs that are covered Federal assistance programs in-
12 cluded in the plan.

13 (e) FINAL REPORT; EXTENSION OF PLANS.—(1) No
14 later than 45 days after the end of the effective period of
15 an approved local flexibility plan of a local government,
16 or at any time that the local government determines that
17 the plan has demonstrated its worth, the local government
18 shall submit to the Community Enterprise Board a final
19 report on its implementation of the plan, including a full
20 evaluation of the successes and shortcomings of the plan and
21 the effects of that implementation on individuals who re-
22 ceive benefits under those programs.

23 (2) The Community Enterprise Board may extend the
24 effective period of an approved local flexibility plan for such

1 *period as may be appropriate, based on the report of a local*
2 *government under paragraph (1).*

3 ***SEC. 1110. COMMUNITY ADVISORY COMMITTEES.***

4 *(a) ESTABLISHMENT.—A local government that ap-*
5 *plies for approval of a local flexibility plan under this title*
6 *shall establish a community advisory committee in accord-*
7 *ance with this section.*

8 *(b) FUNCTIONS.—A community advisory committee*
9 *shall advise a local government in the development and im-*
10 *plementation of its local flexibility plan, including advice*
11 *with respect to—*

12 *(1) conducting public hearings;*

13 *(2) representing the interest of low income indi-*
14 *viduals and families; and*

15 *(3) reviewing and commenting on all community*
16 *policies, programs, and actions under the plan which*
17 *affect low income individuals and families, with the*
18 *purpose of ensuring maximum coordination and re-*
19 *sponsiveness of the plan in providing benefits under*
20 *the plan to those individuals and families.*

21 *(c) MEMBERSHIP.—The membership of a community*
22 *advisory committee shall—*

23 *(1) consist of—*

24 *(A) low income individuals, who shall—*

1 (i) comprise at least one-third of the
2 membership; and

3 (ii) include minority individuals who
4 are participants or who qualify to partici-
5 pate in eligible Federal assistance pro-
6 grams;

7 (B) representatives of low income individ-
8 uals and families;

9 (C) persons with leadership experience in
10 the private and voluntary sectors;

11 (D) local elected officials;

12 (E) representatives of participating quali-
13 fied organizations; and

14 (F) the general public; and

15 (2) include individuals and representatives of
16 community organizations who shall help to enhance
17 the leadership role of the local government in develop-
18 ing a local flexibility plan.

19 (d) *OPPORTUNITY FOR REVIEW AND COMMENT BY*
20 *COMMITTEE.*—Before submitting an application for ap-
21 proval of a final proposed local flexibility plan, a local gov-
22 ernment shall submit the final proposed plan for review and
23 comment by a community advisory committee established
24 by the local government.

1 (e) *COMMITTEE REVIEW OF REPORTS.*—Before sub-
2 mitting annual or final reports on an approved assistance
3 plan, a local government or private nonprofit organization
4 shall submit the report for review and comment to the com-
5 munity advisory committee.

6 **SEC. 1111. TECHNICAL AND OTHER ASSISTANCE.**

7 (a) *TECHNICAL ASSISTANCE.*—(1) The Community
8 Enterprise Board may provide, or direct that the head of
9 a Federal agency provide, technical assistance to a local
10 government or qualified organization in developing infor-
11 mation necessary for the design or implementation of a
12 local flexibility plan.

13 (2) Assistance may be provided under this subsection
14 if a local government makes a request that includes, in ac-
15 cordance with requirements established by the Community
16 Enterprise Board—

17 (A) a description of the local flexibility plan the
18 local government proposes to develop;

19 (B) a description of the groups of individuals to
20 whom benefits shall be provided under covered Federal
21 assistance programs included in the plan; and

22 (C) such assurances as the Community Enter-
23 prise Board may require that—

24 (i) in the development of the application to
25 be submitted under this title for approval of the

1 *plan, the local government shall provide ade-*
2 *quate opportunities to participate to—*

3 *(I) low income individuals and fami-*
4 *lies that shall receive benefits under covered*
5 *Federal assistance programs included in the*
6 *plan; and*

7 *(II) governmental agencies that admin-*
8 *ister those programs; and*

9 *(ii) the plan shall be developed after consid-*
10 *ering fully—*

11 *(I) needs expressed by those individuals*
12 *and families;*

13 *(II) community priorities; and*

14 *(III) available governmental resources*
15 *in the geographic area to which the plan*
16 *shall apply.*

17 *(b) DETAILS TO BOARD.—At the request of the Chair-*
18 *man of the Community Enterprise Board and with the ap-*
19 *proval of an agency head who is a member of the Board,*
20 *agency staff may be detailed to the Community Enterprise*
21 *Board on a nonreimbursable basis.*

22 **SEC. 1112. COMMUNITY ENTERPRISE BOARD.**

23 *(a) FUNCTIONS.—The Community Enterprise Board*
24 *shall—*

1 (1) receive, review, and approve or disapprove
2 local flexibility plans for which approval is sought
3 under this title;

4 (2) upon request from an applicant for such ap-
5 proval, direct the head of an agency that administers
6 a covered Federal assistance program under which
7 substantial Federal assistance would be provided
8 under the plan to provide technical assistance to the
9 applicant;

10 (3) monitor the progress of development and im-
11 plementation of local flexibility plans;

12 (4) perform such other functions as are assigned
13 to the Community Enterprise Board by this title; and

14 (5) issue regulations to implement this title
15 within 180 days after the date of its enactment.

16 (b) *REPORTS.*—No less than 18 months after the date
17 of the enactment of this Act, and annually thereafter, the
18 Community Enterprise Board shall submit a report on the
19 5 Federal regulations that are most frequently waived by
20 the Community Enterprise Board for local governments
21 with approved local flexibility plans to the President and
22 the Congress. The President shall review the report and de-
23 termine whether to amend or terminate such Federal regu-
24 lations.

1 **SEC. 1113. TERMINATION AND REPEAL; REPORT.**

2 (a) *TERMINATION AND REPEAL.*—*This title is repealed*
 3 *on the date that is 5 years after the date of the enactment*
 4 *of this Act.*

5 (b) *REPORT.*—*No later than 4 years after the date of*
 6 *the enactment of this Act, the Comptroller General of the*
 7 *United States shall submit to the Congress, a report that—*

8 (1) *describes the extent to which local govern-*
 9 *ments have established and implemented approved*
 10 *local flexibility plans;*

11 (2) *evaluates the effectiveness of covered Federal*
 12 *assistance programs included in approved local flexi-*
 13 *bility plans; and*

14 (3) *includes recommendations with respect to*
 15 *continuing local flexibility.*

16 **TITLE XII—HERO ACT**

17 **SEC. 1201. SHORT TITLE.**

18 *This title may be cited as the “Heroic Efforts to Rescue*
 19 *Others Act” (HERO Act).*

20 **SEC. 1202. FINDINGS.**

21 *Congress finds that—*

22 (1) *existing Occupational Safety and Health Ad-*
 23 *ministration regulations require the issuance of a ci-*
 24 *tation to an employer in a circumstance in which an*
 25 *employee of such employer has voluntarily acted in a*

1 *heroic manner to rescue individuals from imminent*
2 *harm during work hours;*

3 (2) *application of such regulations to employers*
4 *in such circumstance causes hardships to those em-*
5 *ployers who are responsible for employees who per-*
6 *form heroic acts to save individuals from imminent*
7 *harm;*

8 (3) *strict application of such regulations in such*
9 *circumstance penalizes employers as a result of the*
10 *time lost and legal fees incurred to defend against*
11 *such citations; and*

12 (4) *in order to save employers the cost of unnec-*
13 *essary enforcement an exemption from the issuance of*
14 *a citation to an employer under certain situations re-*
15 *lated to such circumstance is appropriate.*

16 **SEC. 1203. CITATIONS.**

17 *Section 9 of the Occupational Safety and Health Act*
18 *(29 U.S.C. 658) is amended by adding at the end the follow-*
19 *ing new subsection:*

20 “(d)(1) *No citation may be issued under this section*
21 *for a rescue activity by an employer’s employee of an indi-*
22 *vidual in imminent harm unless—*

23 “(A)(i) *such employee is designated or assigned*
24 *by the employee’s employer with responsibility to per-*
25 *form or assist in rescue operations; and*

1 “(ii) the employer fails to provide protection of
2 the safety and health of such employee, including fail-
3 ing to provide appropriate training and rescue equip-
4 ment;

5 “(B)(i) such employee is directed by the employ-
6 ee’s employer to perform rescue activities in the course
7 of carrying out the employee’s job duties; and

8 “(ii) the employer fails to provide protection of
9 the safety and health of such employee, including fail-
10 ing to provide appropriate training and rescue equip-
11 ment; or

12 “(C)(i) such employee—

13 “(I) is employed in a workplace that re-
14 quires such employee to carry out duties that are
15 directly related to a workplace operation where
16 the likelihood of life-threatening accidents is fore-
17 seeable, such as a workplace operation where em-
18 ployees are located in confined spaces or trench-
19 es, handle hazardous waste, respond to emer-
20 gency situations, perform excavations, or per-
21 form construction over water;

22 “(II) has not been designated or assigned to
23 perform or assist in rescue operations; and

24 “(III) voluntarily elects to rescue such an
25 individual; and

1 “(ii) the employer has failed to instruct employ-
 2 ees not designated or assigned to perform or assist in
 3 rescue operations—

4 “(I) of the arrangements for rescue;

5 “(II) not to attempt rescue; and

6 “(III) of the hazards of attempting rescue
 7 without adequate training or equipment.

8 “(2) For purposes of this subsection, the term ‘immi-
 9 nent harm’ means the existence of any condition or practice
 10 that could reasonably be expected to cause death or serious
 11 physical harm before such condition or practice can be
 12 abated.”.

13 **TITLE XIII—MISCELLANEOUS** 14 **PROVISIONS**

15 **SEC. 1301. ECONOMIC AND EMPLOYMENT IMPACT ACT.**

16 (a) *SHORT TITLE.*—This section may be cited as the
 17 “Economic and Employment Impact Act”.

18 (b) *FINDINGS AND PURPOSES.*—

19 (1) *FINDINGS.*—The Congress finds that—

20 (A) compliance with Federal regulations is
 21 estimated to cost the private sector and State
 22 and local governments as much as
 23 \$850,000,000,000 a year;

24 (B) excessive Federal regulation and man-
 25 dates increase the cost of doing business and thus

1 *hinder economic growth and employment oppor-*
2 *tunities;*

3 *(C) State and local governments are forced*
4 *to absorb the cost of unfunded Federal mandates;*
5 *and*

6 *(D) in addition to budget and deficit esti-*
7 *mates, Congress and the executive branch deci-*
8 *sion makers need to be aware of regulatory cost*
9 *impacts of proposed Federal actions on the pri-*
10 *ivate sector and State, local, and tribal govern-*
11 *ments.*

12 *(2) PURPOSES.—The purposes of this section*
13 *are—*

14 *(A) to ensure that the people of United*
15 *States are fully apprised of the impact of Fed-*
16 *eral legislative and regulatory activity on eco-*
17 *nomie growth and employment;*

18 *(B) to require both the Congress and the ex-*
19 *ecutive branch to acknowledge and to take re-*
20 *sponsibility for the fiscal and economic effects of*
21 *legislative and regulatory actions and activities;*

22 *(C) to provide a means to ensure that con-*
23 *gressional and executive branch action are fo-*
24 *cused on enhancing economic growth and provid-*

1 *ing increased job opportunities for the people of*
2 *United States; and*

3 *(D) to protect against congressional or exec-*
4 *utive branch actions which hinder economic*
5 *growth or eliminate jobs for the people of United*
6 *States.*

7 *(c) ECONOMIC AND EMPLOYMENT IMPACT STATE-*
8 *MENTS FOR LEGISLATION.—*

9 *(1) PREPARATION.—The Director of the Congres-*
10 *sional Budget Office (referred to as the “Director”)*
11 *shall prepare an economic and employment impact*
12 *statement, as described in paragraph (2), to accom-*
13 *pany each bill or joint resolution reported by any*
14 *committee (except the Committee on Appropriations)*
15 *of the House of Representatives or the Senate or con-*
16 *sidered on the floor of either House.*

17 *(2) CONTENTS.—The economic and employment*
18 *impact statement required by paragraph (1) shall in-*
19 *clude the following:*

20 *(A) An estimate of the numbers of individ-*
21 *uals and businesses who would be regulated by*
22 *the bill or joint resolution and a determination*
23 *of the groups and classes of such individuals and*
24 *businesses;*

1 (B) A determination of the economic impact
2 of such regulation on individuals, consumers,
3 and businesses affected.

4 (C)(i) An estimate of the costs which would
5 be incurred by the private sector in carrying out
6 or complying with such bill or joint resolution in
7 the fiscal year in which it is to become effective,
8 and in each of the 4 fiscal years following such
9 fiscal year, together with the basis for each such
10 estimate.

11 (ii) Estimates required by this subpara-
12 graph shall include specific data on costs im-
13 posed on groups and classes of individuals and
14 businesses, including small business and consum-
15 ers, and employment impacts on those individ-
16 uals and businesses.

17 (D) An estimate of the costs that would be
18 incurred by State and local governments, which
19 shall include—

20 (i) the estimates required by section
21 403 of the Congressional Budget Act of
22 1974; and

23 (ii) an evaluation of the extent of the
24 costs of the Federal mandates arising from
25 such bill or joint resolution in comparison

1 with funding assistance provided by the
2 Federal Government to address the costs of
3 complying with such mandates.

4 (3) *REPORT NOT AVAILABLE.*—If compliance
5 with the requirements of paragraph (1) is impractica-
6 ble, the Director shall submit a statement setting forth
7 the reasons for noncompliance.

8 (4) *STATEMENT TO ACCOMPANY COMMITTEE RE-*
9 *PORTS.*—The economic and employment impact state-
10 ment required by this subsection shall accompany
11 each bill or joint resolution reported or otherwise con-
12 sidered on the floor of either House. Such statement
13 shall be printed in the committee report upon timely
14 submission to the committee. If not timely filed or
15 otherwise unavailable for publication in the commit-
16 tee report, the economic and regulatory statement
17 shall be published in the Congressional Record not
18 less than 2 calendar days prior to any floor consider-
19 ation of a bill or joint resolution subject to the provi-
20 sions of this subsection by either House.

21 (5) *COMMITTEE STATEMENTS OPTIONAL.*—Noth-
22 ing in this subsection shall be construed to modify or
23 otherwise affect the requirements of paragraph 11(b)
24 of rule XXVI of the Standing Rules of the Senate, re-

1 *garding preparation of an evaluation of regulatory*
2 *impact.*

3 *(d) ECONOMIC AND EMPLOYMENT IMPACT STATEMENT*
4 *FOR EXECUTIVE BRANCH REGULATIONS.—*

5 *(1) PREPARATION.—Each Federal department or*
6 *executive branch agency shall prepare an economic*
7 *and employment impact statement, as described in*
8 *paragraph (2), to accompany regulatory actions.*

9 *(2) CONTENTS.—The economic and employment*
10 *impact statement required by paragraph (1) shall in-*
11 *clude the following:*

12 *(A) An estimate of the numbers of individ-*
13 *uals and businesses who would be regulated by*
14 *the regulatory action and a determination of the*
15 *groups and classes of such individuals and busi-*
16 *nesses.*

17 *(B) A determination of the economic impact*
18 *of such regulation on individuals, consumers,*
19 *and businesses affected.*

20 *(C)(i) An estimate of the costs which would*
21 *be incurred by the private sector in carrying out*
22 *or complying with such regulatory action in the*
23 *fiscal year in which it is to become effective and*
24 *in each of the 4 fiscal years following such fiscal*

1 year, together with the basis for each such esti-
2 mate;

3 (ii) The estimate required by this subpara-
4 graph shall include specific data on costs on
5 groups and classes of individuals and businesses,
6 including small business and consumers, and
7 employment impacts on those individuals and
8 businesses.

9 (D) An estimate of the costs that would be
10 incurred by State and local governments, which
11 shall include—

12 (i) an estimate of cost which would be
13 incurred by State and local governments in
14 carrying out or complying with the regu-
15 latory action in the fiscal year in which it
16 is to become effective and in each of the 4
17 fiscal years following such fiscal year, to-
18 gether with the basis for such estimate;

19 (ii) a comparison of the estimates of
20 costs described in clause (i), with any avail-
21 able estimates of costs made by any Federal
22 or State agency;

23 (iii) if the agency determines that the
24 regulatory action is likely to result in an-
25 nual cost to State and local governments of

1 \$200,000,000 or more, or is likely to have
2 exceptional fiscal consequences for a geo-
3 graphic region or a particular level of gov-
4 ernment, a statement by the agency detail-
5 ing such results or consequences; and

6 (iv) an evaluation of the extent of the
7 costs of the Federal mandates arising from
8 the regulatory action in comparison with
9 funding assistance provided by the Federal
10 Government to address the costs of comply-
11 ing with such mandates.

12 (4) *REPORT NOT AVAILABLE.*—If compliance
13 with the requirements of paragraph (1) is impractica-
14 ble, the agency or department shall submit a state-
15 ment setting forth the reasons for noncompliance.

16 (5) *STATEMENT TO ACCOMPANY FEDERAL REGU-*
17 *LATORY ACTIONS.*—The economic and employment
18 impact statement with respect to a regulatory action
19 required by this subsection shall be published in the
20 Federal Register together with the publication of such
21 regulatory action. If the regulatory action is not pub-
22 lished in the Federal Register, the economic and em-
23 ployment impact statement shall be made available to
24 the public in a timely manner.

1 (6) *DEFINITION OF “REGULATORY ACTION”.*—

2 *For purposes of this subsection, the term “regulatory*
3 *action” means any substantive action by a Federal*
4 *agency (required to be or customarily published in the*
5 *Federal Register) that promulgates or is expected to*
6 *lead to the promulgation of a final rule or regulation,*
7 *including notices of inquiry, advance notices of pro-*
8 *posed rulemaking, notices of proposed rulemaking, in-*
9 *terim final rules, and final rules and regulations.*

10 (e) *PROVISION FOR NATIONAL SECURITY EMERGENCY*
11 *WAIVER.*—

12 (1) *CONGRESSIONAL ECONOMIC IMPACT STATE-*
13 *MENTS.*—*The Congress may waive the requirements of*
14 *subsection (c) at any time in which a declaration of*
15 *war is in effect, or in response to a national security*
16 *emergency at the request of the President.*

17 (2) *EXECUTIVE REGULATIONS ECONOMIC IMPACT*
18 *STATEMENTS.*—*The President may waive the require-*
19 *ments of subsection (d) at any time in which a dec-*
20 *laration of war is in effect, or in response to a na-*
21 *tional security emergency as determined by the Presi-*
22 *dent in consultation with Congress.*

23 (f) *EFFECTIVE DATE.*—*This section shall take effect 30*
24 *days after the date enactment of this Act.*

1 **SEC. 1302. URBAN UNIVERSITY BUSINESS INITIATIVE**
2 **GRANTS.**

3 (a) *URBAN UNIVERSITY BUSINESS INITIATIVE*
4 *GRANTS.*—

5 (1) *AUTHORIZATION.*—*The Secretary of Com-*
6 *merce (hereafter in this section referred to as the*
7 *“Secretary”)* *is authorized to make grants to eligible*
8 *institutions in accordance with this section.*

9 (2) *APPLICATION.*—

10 (A) *IN GENERAL.*—*An eligible institution*
11 *seeking assistance under this section shall submit*
12 *to the Secretary an application at such time, in*
13 *such form, and containing or accompanied by*
14 *such information and assurances as the Sec-*
15 *retary may require by regulation.*

16 (B) *CONTENTS.*—*Except as provided in sub-*
17 *paragraph (C), each application submitted pur-*
18 *suant to subparagraph (A) shall include—*

19 (i) *a description of the activities and*
20 *services for which assistance is sought;*

21 (ii) *evidence of coordination with any*
22 *small business development centers in exist-*
23 *ence in the community; and*

24 (iii) *documentation of the formation of*
25 *a consortium that includes, in addition to*

1 *eligible institutions, one or more of the fol-*
2 *lowing entities:*

3 *(I) A nonprofit organization.*

4 *(II) A business or other employer.*

5 *(C) WAIVER.—The Secretary may waive the*
6 *requirements of subparagraph (B)(iii) for any*
7 *applicant who can demonstrate to the satisfac-*
8 *tion of the Secretary that the applicant has de-*
9 *vised an integrated and coordinated plan that*
10 *otherwise meets the requirements of this section.*

11 *(3) SELECTION PROCEDURES.—Not later than*
12 *120 days after the date of enactment of this section,*
13 *the Secretary shall, by regulation, develop a formal*
14 *procedure for the submission of applications under*
15 *this section and shall publish in the Federal Register*
16 *an announcement of that procedure and the availabil-*
17 *ity of funds under this section.*

18 *(b) AUTHORIZED ACTIVITIES.—*

19 *(1) IN GENERAL.—Funds provided under this*
20 *section shall be used to design and implement pro-*
21 *grams to assist businesses, especially those in lower*
22 *income urban communities, to become more produc-*
23 *tive and able to compete in the global marketplace.*

24 *(2) SPECIFIC AUTHORIZED ACTIVITIES.—Activi-*
25 *ties conducted with funds made available under this*

1 *section may include research on, or planning and im-*
2 *plementation of technology transfer, technical train-*
3 *ing, the delivery of services, or technical assistance*
4 *in—*

5 *(A) business development;*

6 *(B) business creation;*

7 *(C) business expansion; and*

8 *(D) human resource management.*

9 *(c) PEER REVIEW PANEL.—*

10 *(1) ESTABLISHMENT.—Not later than 90 days*
11 *after the date on which the Secretary publishes the*
12 *announcement in the Federal Register in accordance*
13 *with subsection (a)(3), the Secretary shall appoint a*
14 *peer review panel (hereafter in this section referred to*
15 *as the “panel”).*

16 *(2) MEMBERSHIP.—In appointing the panel*
17 *under paragraph (1), the Secretary shall consult with*
18 *officials of other Federal agencies and with non-Fed-*
19 *eral organizations in order to ensure that—*

20 *(A) the panel membership is geographically*
21 *balanced; and*

22 *(B) the panel is composed of representatives*
23 *from public and private institutions of higher*
24 *education, labor, business, and nonprofit organi-*

1 *zations having expertise in business development*
2 *in lower income urban communities.*

3 (3) *DUTIES.—The panel shall—*

4 (A) *review applications submitted under*
5 *this section; and*

6 (B) *make recommendations to the Secretary*
7 *concerning the selection of grant recipients.*

8 (d) *DISBURSEMENT OF FUNDS.—*

9 (1) *LIMITATION ON AMOUNT.—The Secretary*
10 *shall not provide assistance under this section to any*
11 *recipient which exceeds \$400,000 during any 1-year*
12 *period.*

13 (2) *EQUITABLE GEOGRAPHIC DISTRIBUTION.—*
14 *The Secretary shall award grants under this section*
15 *in a manner that achieves equitable geographic dis-*
16 *tribution of such grants.*

17 (e) *DEFINITIONS.—For purposes of this section, the fol-*
18 *lowing definitions shall apply:*

19 (1) *LOWER INCOME URBAN COMMUNITY.—The*
20 *term “lower income urban community” means an*
21 *urban area in which the percent of residents living*
22 *below the Federal poverty level is not less than 115*
23 *percent of the statewide average.*

24 (2) *URBAN AREA.—*

1 (A) *IN GENERAL.*—*Except as provided in*
2 *subparagraph (B), the term “urban area” means*
3 *a primary metropolitan statistical area of the*
4 *United States Department of Commerce, Bureau*
5 *of the Census.*

6 (B) *EXCEPTION.*—*With respect to a State*
7 *that does not contain an urban area, as defined*
8 *in subparagraph (A), the Secretary shall des-*
9 *ignate 1 area in the State as an urban area for*
10 *purposes of this section.*

11 (3) *ELIGIBLE INSTITUTION.*—

12 (A) *INSTITUTION OR CONSORTIUM.*—*The*
13 *term “eligible institution” means a nonprofit in-*
14 *stitution of higher education that meets the re-*
15 *quirements of subparagraph (B), or a consor-*
16 *tium of such institutions, any 1 of which meets*
17 *the requirements of subparagraph (B).*

18 (B) *REQUIREMENTS.*—*An institution meets*
19 *the requirements of this subparagraph if the in-*
20 *stitution—*

21 (i) *is located in an urban area;*

22 (ii) *draws a substantial portion of its*
23 *undergraduate students from the urban area*
24 *in which such institution is located, or from*
25 *contiguous areas;*

1 (iii) carries out programs to make
2 postsecondary educational opportunities
3 more accessible to residents of such urban
4 area, or contiguous areas;

5 (iv) has the present capacity to provide
6 resources responsive to the needs and prior-
7 ities of such urban area and contiguous
8 areas;

9 (v) offers a range of professional, tech-
10 nical, or graduate programs sufficient to
11 sustain the capacity of such institution to
12 provide such resources;

13 (vi) has demonstrated and sustained a
14 sense of responsibility to such urban area
15 and contiguous areas and the people of such
16 areas; and

17 (vii) has a school of business accredited
18 by the American Assembly of Collegiate
19 Schools of Business (or similar organiza-
20 tion) with faculty experienced in conducting
21 research on issues of immediate concern to
22 small and emerging businesses.

23 (f) *AUTHORIZATION OF APPROPRIATIONS.*—There are
24 authorized to be appropriated to carry out this section—

25 (1) \$10,000,000, for fiscal year 1995; and

1 (2) *such sums as may be necessary, for fiscal*
2 *years 1996, 1997, 1998, and 1999.*

3 **SEC. 1303. PROHIBITION ON SOLICITATION OF CAMPAIGN**
4 **CONTRIBUTIONS BY PERSONS AWARDING**
5 **CONTRACTS.**

6 (a) *IN GENERAL.*—Chapter 29 of title 18, United
7 *States Code, is amended by adding at the end the following*
8 *new section:*

9 **“§610. Solicitation of political contributions by per-**
10 **sons awarding contracts**

11 *“Any person who awards any contract or grant under*
12 *any provision of, or any amendment made by, the National*
13 *Competitiveness Act of 1994 who, during the 5-year period*
14 *beginning on the date the contract or grant is awarded,*
15 *knowingly solicits a political contribution (within the*
16 *meaning of section 7322(3) of title 5, United States Code)*
17 *from any person who was awarded such contract or grant*
18 *(or any owner, officer, employee, or agent thereof) shall be*
19 *imprisoned for 1 year or fined not more than \$10,000, or*
20 *both.”.*

- 1 **(b) CONFORMING AMENDMENT.**—*The table of sections*
- 2 *for chapter 29 of title 18, United States Code, is amended*
- 3 *by adding at the end the following new item:*

“610. Solicitation of political contributions by persons awarding contracts.”.

Attest:

Secretary.

HR 820 PP—2
HR 820 PP—3
HR 820 PP—4
HR 820 PP—5
HR 820 PP—6
HR 820 PP—7
HR 820 PP—8
HR 820 PP—9
HR 820 PP—10
HR 820 PP—11
HR 820 PP—12
HR 820 PP—13
HR 820 PP—14
HR 820 PP—15
HR 820 PP—16
HR 820 PP—17
HR 820 PP—18
HR 820 PP—19
HR 820 PP—20
HR 820 PP—21
HR 820 PP—22